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*Public Service Commission*

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**FOURTEENTH ANNUAL REPORT**  
**OF THE**  
**PUBLIC SERVICE COMMISSION**  
**OF OREGON**  
**TO THE**  
**GOVERNOR**



**JANUARY 1, 1920, to**  
**DECEMBER 31, 1920**



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**FOURTEENTH ANNUAL REPORT**  
**OF THE**  
**PUBLIC SERVICE COMMISSION**  
**OF OREGON**  
**TO THE**  
**GOVERNOR**

**JANUARY 1, 1920 to**  
**DECEMBER 31, 1920**



**SALEM, OREGON :**  
**STATE PRINTING DEPARTMENT**  
**1922**



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**PUBLIC SERVICE COMMISSION  
OF OREGON**

**FRED A. WILLIAMS, Chairman,  
HYLEN H. COREY,  
FRED G. BUCHTEL,**  
*Commissioners.*

---

**WILLIAM P. ELLIS, Secretary.**

AUG 9 1922.

# FOURTEENTH ANNUAL REPORT

To the Governor:

In compliance with sections 5819 and 6049, Oregon Laws, the Public Service Commission of Oregon herewith submits its Fourteenth Annual Report covering the year ended December 31, 1920.

The period of readjustment which began and continued during 1919, extended through 1920, and the attendant uncertain conditions became more marked and the prices of labor and material reached higher levels. This resulted in even greater distress to the utilities who had not sought and been granted relief from the increased burdens resulting from such conditions. In consequence, the number of applications for relief through increased rates exceeded the extraordinary number received in 1919 and the Commission found itself seriously handicapped with its limited force to handle all the pressing cases with the dispatch demanded.

Toward the close of the year the Commission increased its personnel with a view of relieving, within the limits of its appropriation, this situation.

## ORGANIZATION AND PERSONNEL

The organization of the Commission was unchanged with Commissioner Fred G. Buchtel as chairman.

The following changes were made in the staff during the year:

W. D. Clarke, railroad engineer, resigned on March 1, and C. H. Packer was appointed in his place.

T. C. Davies, rate expert, department of railways, resigned June 1, and was succeeded by E. A. Robins.

Ed. Wright, secretary, resigned June 30, and William P. Ellis, reporter and examiner, was appointed in his place.

Benjamin F. Forbes, Jr., was appointed official reporter.

C. I. Kephart, engineer, resigned July 31, and J. D. Beebe was appointed in his place.

Guy M. Harris, auditor, was appointed telephone engineer November 1, and C. F. Hagemann was appointed auditor.

A. W. Bechlem, Claude R. Lester and I. H. Sherwood were added to the staff as engineers during November.

## RAILROADS RETURNED TO PRIVATE MANAGEMENT

Government control of the major railroads of the country ceased on March 1, 1920, and the roads were operated under private management of the owners from that date. The immediate result was a serious congestion of traffic, due to the absence of central direction and control, which was gradually relieved as the railroads adjusted themselves to the new operating conditions. A further result was an increase of 25 per cent in freight and 20 per cent in passenger rates. Because the increase in freight rates was horizontal there was considerable complaint that such increase in the case of many of the more bulky and less valuable commodities was prohibitive.

## FREIGHT RATE CASES

The Columbia river basin case involving the rates on grain from Columbia river basin points in eastern Oregon to Portland was the most important rate decision of the year. This case was originally presented to the Interstate Commerce Commission during the summer of 1919, upon formal complaint of the Public Service Commission of Oregon, Inland Empire Shippers' League, Portland Chamber of Commerce, Portland Traffic and Transportation Association, and the Commission of Public Docks of Portland, setting forth violations by the railroads of section 1 of the act to regulate commerce and section 10 of the federal control act relating to traffic to and from the Columbia river basin points and Puget Sound and Columbia river ports.

After a hearing extending over two weeks of time, attended by three members and the chief examiner of the Interstate Commerce Commission, a tentative finding of the chief examiner was served on the interested parties, and their objections were filed with the Commission. The matter was then argued before the entire Commission at Washington, D. C., on April 17, 1920, and on November 5, 1920, the Commission rendered its decision.

According to this decision as rendered the carriers are required to prepare and file, within ninety days from the service of the Commission's report, revised rates in accordance with the findings set forth therein.

Heretofore, generally speaking, the rates, both class and commodity, including grain, have been the same to and from Portland, Seattle, Tacoma, etc., and points in the Columbia river basin.

Through the victory of this decision Portland is awarded a reduction of 10 per cent less than the Puget Sound country from the vast territory to the south of the Snake river, the order recommending that revision be accomplished through reducing to and from Portland and Vancouver and raising the rates to and from northern points by approximately equal amounts.

The importance of this case and the establishment of the differential recognizing Portland's natural advantages can not be over estimated and very naturally the Commission is laudatory in its praise of the cooperative efforts of Oregon interests and the careful and thorough consideration accorded its own exhaustive investigations and studies in full presentation of the case.

## COMPLAINTS BEFORE THE COMMISSION

During the year there were 129 formal complaints filed with the Commission, classified as follows:

Seventy-two, railroad; two, express; fourteen, electric; eight, water; four, gas; twenty-six, telephone; one, telegraph; two, logboom franchises. At the end of the year sixty-six cases were still open on the formal docket. Sixty-two cases, in addition to the sixty-five open at the beginning of the year, making a total of 127 cases, were disposed of during the year.

One hundred seventy-seven informal complaints were made to the Commission during the same period, classified as follows:

Eighty-one, railroad; eleven, express; one, gas; twenty-eight, electric; eight, water; forty-five, telephone; three, telegraph. At the end of the year twenty-seven cases were still open, 150 cases having been disposed of in addition to the fifty open at the beginning of the year, making the total disposed of during the year 200. In addition to these informal docket cases several thousand minor matters were disposed of by the Commission by personal investigation, telephonic negotiations or correspondence.

### PUBLIC UTILITIES

The general increase in operating expenses of all public utilities during 1919, which was pointed out in the 1919 report, was even more pronounced in 1920, resulting in more insistent appeals from the utilities for relief through increased rates. On the other hand, now that the actual warfare was over, the general public not only was not indifferent to increases in rates but was actually expecting lower rates in line with the downward trend in prices of other commodities. Nevertheless the Commission, when convinced that the condition of the utilities was critical, has not hesitated to extend the needed relief, believing that the people are generally fair minded and need only to be fully apprised of the facts to be willing to accept such increases as may be necessary to insure good and continuous service.

### TARIFFS FILED

During the year there were filed with the rate and tariff department by the rail common carriers operating within this state 891 tariffs consisting of 597 freight, eight express and 286 passenger tariffs. In addition thereto over 4,000 supplements were filed. All such tariffs are carefully checked in so far as they involve changes in existing tariffs.

### RAILROAD CROSSINGS

The Commission has continued its policy of safety first regarding grade crossings by eliminating as far as possible all dangerous crossings, changing others to less hazardous locations and avoiding the establishment of new ones.

During the year sixty-one applications were received and investigated, of which number fifty were for grade crossings, eight for overhead or undergrade crossings, and three for designation of stop crossings. Of this number fifty-six were granted and five denied.

In addition to the formal cases eleven informal complaints regarding grade crossings were received and investigated, resulting in hazards removed or lessened.

The Commission also investigated a number of accidents at crossings and ordered such changes in location or grade as to minimize the hazards.

## LOG BOOM ACT

Because of unsettled conditions and lessened activity in the lumber trade there has been no further development under this act. The constitutionality of the act was upheld in a decision of the supreme court and as soon as the lumber trade becomes normal a much greater development may be expected.

## TRACK SCALES INSPECTION

The Commission has continued its policy of thorough inspection of all track scales within the state. During the year but one scale was found from which the seal was removed, which was later restored after necessary repairs had been made. As a result of such efficient inspection complaints concerning weights are greatly reduced in number and such as are made relate mainly to weighing practices rather than to the use of defective scales.

Following is a summary of track scales tested during the year 1920:

Total number of scales tested, railroads .....	24
Total number of scales tested, industries .....	7
Total number of scale tests made .....	51
Number of scales tested and seal removed, railroad .....	1
Number of scales tested resealed .....	1
Number of scales refitted, railroad .....	3
Number of new scales installed, railroad .....	1
Number of new scales installed, industry .....	3
Number of days employed making tests .....	105
Average cost per test .....	\$23.00
Number of miles traveled by test car .....	5,000

## OPERATIONS OF RAILROAD AND UTILITIES

Statistics covering the physical, financial and traffic characteristics of steam and electric railroads for the year are to be found in Appendix II, Part I, of this report. Corresponding data for the various classes of utilities are shown in Appendix II, Part II.

## VALUATIONS

During the year many preliminary reports covering the railroad valuation work being conducted by the Interstate Commerce Commission were received. These have been checked as carefully as the time of our engineering staff would permit, and objections thereto presented to the Interstate Commerce Commission where justified.

All appraisals of the utilities of this state made during the year are required by law to be included in the annual report of this commission, and these will be found in the various orders and decisions inserted in Appendix I hereof.

## LITIGATION

The following is a list of cases terminated in 1920:

**Hammond Lumber Company v. Public Service Commission.**

Suit brought in the circuit court of Marion county to set aside an order of the Commission prescribing freight rates to be charged by the Columbia and Nehalem River Railroad Company. The circuit court upheld order of Commission. Case appealed to supreme court. Supreme court affirms decision of lower court.

**Logan v. Public Service Commission, et al.**

Suit instituted by plaintiff to set aside order of Commission granting franchise to the Chas. K. Spaulding Logging Company to drive, boom, catch and hold logs on the Luckiamute river. Order of Commission upheld in lower court. Appeal taken to supreme court, which held that in so far as the use of splash dams does not work an injury to the rights of riparian owners their use is proper. Petition for rehearing denied.

**William D. Bennett v. Public Service Commission, et al.**

Suit brought by W. D. Bennett to set aside order of Commission increasing street car fares to 8 cents in the city of Portland. Case dismissed on stipulation of parties.

The following cases were pending December 31, 1920:

**City of Hillsboro v. Public Service Commission, et al.**

Suit brought by the city of Hillsboro to set aside an order of the Commission holding that the franchise provisions as to free hydrant service to the city did not preclude the Commission from fixing a rate for hydrant service. Demurrer to complaint was sustained by the lower court and the case was appealed to the supreme court. Supreme court affirmed decision of lower court, upholding authority of Commission. Case appealed to United States supreme court.

## GRAIN INSPECTION DEPARTMENT

There has been a remarkable increase in the work done during the year in this department. Prior to June 1, 1920, all shipments of grain were made under the supervision of the United States Grain Corporation, prices and discounts were made by it and the grade was dominated by it.

After the Grain Corporation was abolished business increased to such an extent that it was necessary to treble the working forces to take care of it.

Service has been the keynote of the department and special effort has been made to adjust equitably all matters under its jurisdiction.

Hay scales have been installed at East Portland. Hold tracks have been established and maintained at the terminal yards and a new laboratory has been equipped, all of which added greatly to the efficiency of the work.

In addition to the regular inspection, weighing and sampling of grain and hay, this department is sampling and weighing oil, flax, hemp, rubber, cotton and copra, checking and certifying cargoes of flour and weighing any commodity offered. Further extension of service is contemplated.

During the year there were exported from Portland 10,792,664 bushels of wheat and, with ships available and bumper crop in prospect, there is reason to forecast that next year's business will be increased at least one-third over this year's. The differential in freight rates on grain giving Portland a 10 per cent decrease over Puget Sound ports,

together with the new Terminal No. 4 and other additional facilities and mills established in Portland, will contribute materially to such increase.

Below is a tabulated statement of the business handled by the department during the year:

**GRAIN INSPECTION DEPARTMENT RECEIPTS**  
For the year ended December 31, 1920

	TONS				Fees Received
	Inspected		Weighed Only	Total	
	Sacked	Bulk			
Wheat .....	460,771	140,591	9,954	611,316	\$ 33,767.60
Oats .....	30,676	168	9,482	40,326	2,321.38
Corn .....	2,878	10,348	520	13,746	612.60
Barley .....	8,965	1,317	325	10,607	606.83
Rye .....	123	.....	.....	123	7.38
Hay .....	.....	27,713	.....	27,713	3,325.56
Miscellaneous :					
Weighed .....	.....	.....	19,128	19,128	956.40
Inspections .....	2,346	2,398	.....	4,744	236.68
Minimum charges					
\$1 each .....	.....	.....	.....	.....	889.00
Weighing Misc.					
commodities .....	.....	.....	.....	.....	2,458.14
Outgoing cargoes .....	.....	.....	.....	.....	14,364.66
Sample inspections .....	.....	.....	.....	.....	531.50
Extra unloading time .....	.....	.....	.....	.....	555.07
Grain sold .....	.....	.....	.....	.....	762.25
Total .....	505,759	182,535	39,409	727,703	\$ 61,395.05

Respectfully submitted,

PUBLIC SERVICE COMMISSION OF OREGON,

By FRED G. BUCHTTEL, Chairman,  
HYLEN H. COREY, Commissioner,  
FRED A. WILLIAMS, Commissioner.

Attest:

WM. P. ELLIS, Secretary.

## **APPENDIX I**

### **SUMMARY OF PROCEEDINGS HAD ON FORMAL COMPLAINTS BEFORE THE COMMISSION AGAINST RAILROADS AND PUBLIC UTILITIES**

**NOTE.—IN THE MAJORITY OF THESE CASES THE MOST ESSENTIAL  
PORTIONS ONLY OF THE ORDERS HAVE BEEN  
INSERTED IN THIS REPORT**



## APPENDIX I

Application of STANDARD OIL COMPANY for permission to construct at grade an industry spur track across Mountain Avenue in the City of Ashland, County of Jackson, State of Oregon. } Amended and substituted as and for Order in F-856.

(ORDER ENTERED JANUARY 15, 1920—P. S. C. ORDER NO. 565)

Hearing in the above entitled matter upon the application of the Standard Oil Company, a California corporation, authorized to do business within the State of Oregon, was held at the City Hall, in the City of Ashland, Jackson County, Oregon, on the twenty-seventh day of December, 1919, by Commissioner Williams.

There was no objection to the construction of the said spur as shown \* \* \* and the Commission being fully advised in the premises, makes its Order as follows, to wit:

## ORDER

THEREFORE, the application of the Standard Oil Company of California on file in the above entitled case is hereby and in all things granted as prayed for, and the said applicant is granted permission to construct an industry spur track, standard gauge, at grade over and across Mountain Avenue in the City of Ashland, State of Oregon, to connect with the tracks of the Oregon & California Railroad Company now operated by the Southern Pacific Company (lessee), as delineated in the blue print attached to the application, and by this reference made a part of this order, in order to be definite and certain.

PROVIDED FURTHER, that the said Oregon & California Railroad Company, its successors, lessees and assigns, or those operating said railroad shall immediately construct and hereafter maintain at its own expense on the said Mountain Avenue on both sides of the said railroad track at its intersection with the said street "stop signs" of the style and dimensions in the manner and form provided by law, AND IT IS SO ORDERED.

In the matter of the application of the SOUTHERN PACIFIC COMPANY and the DALLAS MACHINE AND LOCOMOTIVE WORKS for permission to construct on grade an industrial spur track on a part of Birch and Lewis Streets, in the city of Dallas, Oregon. } F-871

ORDER ENTERED JANUARY 17, 1920—P. S. C. ORDER NO. 566

This matter is before the Commission on the application of the Southern Pacific Company and the Dallas Machine and Locomotive Works for permission to construct an industrial spur track from a connection with the existing track of the Southern Pacific Company in Birch Street in the City of Dallas, Oregon, over and across a part of Birch Street and Lewis Street in the City of Dallas and at a common grade with said streets.

From the record herein and from an investigation and examination of the site of the proposed industrial spur track it appears to the Commission:

That \* \* \* no undue hazard will be created by the construction of the proposed spur track and the public safety is adequately protected by the existing crossing sign.

And it further appears that by Resolution No. 314, passed December 30, 1919, the Council of the City of Dallas has given its permission for the use of the necessary parts of Birch and Lewis Streets for such spur track, and that there is no objection on the part of the City of Dallas to its construction.

IT IS THEREFORE ORDERED that the application herein be granted and the applicants, the Southern Pacific Company and the Dallas Machine and Locomotive Works be, and the same are hereby, authorized to construct at common

grade an industry spur track over and across a part of Birch Street and Lewis Street in the City of Dallas, Oregon, in accordance with the application herein and as shown on the plat accompanying said application on condition that such crossing be constructed in a substantial manner and maintained in a safe and serviceable condition at the sole expense of the applicants, AND IT IS SO ORDERED.

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In the matter of the investigation and suspension of advances and changes in the demurrage charges and rules of the CALIFORNIA AND OREGON COAST RAILROAD COMPANY. } F-797

ORDER ENTERED JANUARY 17, 1920—P. S. C. ORDER NO. 567

ORDERED that this matter be, and the same is hereby, dismissed without prejudice.

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In the matter of the investigation and suspension of advances in passenger fares by the SUMPTER VALLEY RAILWAY COMPANY. } F-796

ORDER ENTERED JANUARY 16, 1920—P. S. C. ORDER NO. 568

ORDERED that this matter be, and the same is hereby, dismissed without prejudice.

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In the matter of the investigation of rules, orders and regulations relating to demurrage and reciprocal demurrage. (Investigation on Commission's own motion.) } F-528

ORDER ENTERED JANUARY 22, 1920—P. S. C. ORDER NO. 569

It appearing that by Order No. 150 issued herein on the ninth day of December, 1916, this Commission issued and promulgated certain rules, orders and regulations relating to demurrage and reciprocal demurrage and the prompt transportation of Oregon intrastate freight, which said rules, orders and regulations became effective on the first day of January, 1917, and ever since said date have been and now are the lawful, effective rules, orders and regulations governing demurrage and reciprocal demurrage within the State of Oregon, except as hereinafter stated; and

It appearing that by his General Order No. 3, issued January 5, 1918, the Director General of Railroads, United States Railroad Administration, established and promulgated certain rules and regulations governing demurrage charges on Federal controlled roads, which said rules and regulations have been changed, modified and amended from time to time by General Orders Nos. 7 and 7-A, respectively, of the said Director General of Railroads, the latter of which was issued on the twenty-fifth day of October, 1919, and is now in force and effect on all Federal controlled railroads; and

It further appearing that the said rules and regulations so established by the said orders of the Director General of Railroads, governing demurrage charges on Federal controlled railroads, are in many respects different from and in conflict with the rules, orders and regulations established and promulgated by the above named order of this Commission, and now applicable on Oregon intrastate shipments on railroads not under Federal control; and that such disparity results in much confusion and discrimination as between the various railroads and shippers involved.

The Commission is now of the opinion and finds that sufficient necessity exists to warrant it in declaring an emergency and temporarily suspending,

during the period of Federal control of railroads, or until further order of this Commission, the operation of its said Order No. 150, in so far as the same relates to demurrage.

IT IS, THEREFORE, ORDERED that an emergency be, and is hereby, declared to exist, and that the operation of the rules, orders and regulations relating to demurrage and the prompt transportation of Oregon intrastate freight, contained in Order No. 150 of this Commission be, and the same is hereby, temporarily suspended, during the continuance of Federal control of railroads, or until further order of this Commission.

PROVIDED, HOWEVER, that nothing herein contained shall be construed as cancelling, amending, suspending or in any manner affecting the operation of the reciprocal demurrage rules contained in said Order No. 150 of this Commission.

A reasonable date for this order to become effective is February 1, 1920.

Application of OREGON & CALIFORNIA RAILROAD COMPANY,  
SOUTHERN PACIFIC COMPANY and DIRECTOR GENERAL  
OF RAILROADS, for order granting authority to con-  
struct additional track across public grade crossing  
at intersection of Watson Street, if extended, with  
petitioners' railroad tracks in Beaverton, Washington  
County, Oregon. } F-864

ORDER ENTERED JANUARY 17, 1920—P. S. C. ORDER NO. 571

The hearing upon the above application was held before Public Service Commissioner Williams at Beaverton, Washington County, Oregon, at 2 p. m. on the sixteenth day of January, 1920, the time and place appointed.

#### FINDINGS

The Commission finds as follows:

That the construction of said additional track across the intersection of Watson Street is necessary for the conduct and operation of the said railroad in its regular course of business as a common carrier;

That there is no other feasible or practicable method whereby the said extension of the said railroad track siding can be constructed across Watson Street other than at grade, and further, any other type of crossing is prohibitive by reason of the expense involved;

#### ORDER

The applicants, Oregon & California Railroad Company, Southern Pacific Company, lessee, and Director General of Railroads, are hereby granted authority to construct the additional track commonly referred to as a passing track across the public street and crossing at the intersection of Watson Street in the City of Beaverton, Washington County, Oregon, paralleling the main line of said railroad company, as is more fully and particularly shown on the blue print attached to the application, a copy of which is on file in this case, marked Exhibit "1," and by this reference made a part hereof.

And it is further ordered that the said crossing be, and it is hereby, designated as a "stop crossing," and the said applicants are hereby ordered to construct and erect three illuminated stop signs adjacent to and for the protection of said grade crossing at the intersection of Watson Street on the railroad right of way as follows: One on the west side of Watson Street south of the railroad tracks and one on each side of Watson Street on the north side of the railroad tracks of such pattern and dimensions as prescribed by the statutes of Oregon, and hereafter maintain and keep the said "stop signs" in repair at their own expense.

The applicants are also hereby required to keep the said Watson Street grade crossing in repair for the use of the traveling public, and it is hereby further ordered that said applicants shall not "spot" cars on the east side of Watson Street nearer than 75 feet to said crossing. It is also recommended that the said flatiron frame building now occupied as a barber shop at the intersection of the State Highway and Watson Street adjacent to said crossing be removed as soon as convenient or possible and that upon its removal that the spotting of cars on the house track be confined to that portion of such track lying east of the freight and passenger depot as outlined in the policy of cooperation between the civic bodies and the railroad company as projected at the hearing, AND IT IS SO ORDERED.

In the matter of the application of the HOME TELEPHONE } U-F-263  
COMPANY of Condon for authority to increase rates. }

ORDER ENTERED FEBRUARY 20, 1920—P. S. C. ORDER NO. 572

This application for authority to increase telephone rates for service within the exchange area of the town of Condon came regularly for hearing before the Commission in the Gilliam County Courthouse, Condon, at 9:30 a. m., October 22, 1919.

*Appearances:*

For applicant, H. C. Johnson, lessee.

The original cost of the system is reputed to have been between \$4,000 and \$4,500. Extensions and betterments since would increase this figure to approximately \$5,000, exclusive of interest during construction and incidental overhead expenses.

Applicant claims the need of increased revenues because of advances in the cost of labor and material, and in view of the projected replacement of the present switchboard by another of larger capacity and greater efficiency and of the replacement of approximately 40 per cent of the poles within the near future. An appraisal of the property was made concurrent with and as part of this proceeding. Inspection incident to this appraisal, and the large percentage of accrued depreciation hereinafter set out confirm the expressed need of enlarged switchboard capacity and pole line replacements. All of these improvements will necessarily have to be made at the present high level of prices, in order to provide the patrons of this utility the service to which they are entitled without unreasonable delay.

An analysis of this utility's operating revenue and expenses was presented at the hearing. On the basis of the twelve months ended September 30, 1919, the revenues were as shown below:

City-exchange-revenues .....	\$3,210.60
Commission on toll service .....	1,184.40
Rural exchange revenues .....	597.50
Installation and change, charges .....	138.50
Total .....	\$5,131.00

For the same period, operating expenses, including an allowance for depreciation, and taxes, equaled approximately \$4,455. There then remained \$676 as an operating income. Further testimony indicated that the increased wages and other increased operating costs would very materially decrease the amount of this operating income. If the rental of \$720 paid for the use of the plant is deducted from the \$676 above it shows an apparent loss to the lessee for this period.

It is evident that the value of the existing plant is not the proper one for basing rates for future service delivered by a new and improved plant, the cost of which, at this time, is not definitely known. We consequently will not find a value for rate making purposes at this time. However, revenues, expenses, and operating income (return) considering a new and improved plant, have been estimated and serve as a basis for the rates hereinafter prescribed.

Therefore, based on the aforesaid considerations and other testimony and the exhibits in this case, the Commission makes the following

#### FINDINGS

That the present rates of the applicant are unjust, unreasonable and unjustly discriminatory, and will not be sufficient to meet all operating and other current expenses consequent upon the improvement of the system and to provide a better grade of service.

That adequate, reasonable, just and not unjustly discriminatory rates and charges for the applicant to charge, impose and collect in the future are as follows:

<i>Business Service—</i>		<i>Monthly Rate</i>	
		<i>Wall Set</i>	<i>Desk Set</i>
One-party line .....		\$3.75	\$3.00
Two-party line .....		2.50	2.75
Four party line .....		2.25	2.50
Extension, without bell .....		.75	1.00
Extension, with bell .....		.90	1.15
<i>Residence Service—</i>			
One-party line .....		2.00	2.25
Two-party line .....		1.75	2.00
Four-party line .....		1.50	1.75
Extension, without bell .....		.50	.75
Extension, with bell .....		.65	.90
<i>Switching Service—</i>			
Where subscriber owns and maintains instrument and line to limits of exchange area .....			\$0.50
<i>Nonsubscriber Service (not toll service)—</i>			
		<i>First five minutes or fraction thereof</i>	<i>Each additional three minutes or fraction thereof</i>
Calls within local exchange area .....	\$0.05 each		\$0.05 each
Calls beyond local exchange area .....	0.10 each		0.05 each

IT IS THEREFORE ORDERED that from and after the effective date of this order the applicant Home Telephone Company of Condon shall cease and desist from following, imposing and collecting the rates and charges hereinbefore found to be insufficient, unreasonable, unjust and unjustly discriminatory, and shall substitute in lieu thereof the adequate, just, reasonable and not unjustly discriminatory rates and charges hereinbefore set out.

PROVIDED, HOWEVER, that the rates thus authorized shall be considered to be maximum rates for the classes of service specified, and nothing herein shall be construed as preventing the utility from making reductions therein or from filing additional rates, rules and regulations for service not specified therein, provided they do not result in unjust discrimination between individual subscribers, classes of service or localities, or conflict with the intent of this or other orders or regulations prescribed by this Commission; and provided further, that any such tariff changes are covered by amplified or amended tariffs filed with this Commission and posted for public inspection in the manner contemplated by the statutes and the rules of this Commission.

This order shall become effective March 1, 1920. Applicant shall publish and file in the manner provided by law and the rules of this Commission, a tariff consistent herewith.

Application of the CITY OF PORTLAND, OREGON, for extension of a railway line of the PORTLAND RAILWAY, LIGHT & POWER COMPANY to the St. Johns terminal. } F-841

ORDER ENTERED FEBRUARY 26, 1920—P. S. C. ORDER NO. 573

This is an application by the City of Portland under the provisions of Chapter 164 of the Laws of Oregon for 1917, for an order of this Commission requiring the extension of the street railway lines of the Portland Railway, Light & Power Company from the terminus of its St. Johns line at Fessenden and Jersey Streets, to the St. Johns terminal.

Hearing was regularly had hereon at Portland, on the tenth day of October, 1919, at the hour of 1 o'clock p. m., at which time the applicant appeared by W. P. La Roche, City Attorney, and the Portland Railway, Light & Power Company appeared by R. A. Leiter, one of its attorneys. At this time and place certain testimony was offered on behalf of the applicant, after which an adjournment was taken in order to permit the interested parties to confer in an attempt to arrive at a satisfactory settlement of the case. Although complete settlement was not reached, a stipulation hereinafter referred to has been entered into between the parties as to certain facts to be considered by the Commission in connection with the testimony taken and the matter submitted.

Application for the extension here under consideration is occasioned by the establishment of the St. Johns terminal, which is located northerly from the former City of St. Johns, now a part of the City of Portland, and which terminal consists of grain elevators, wharves, docks and other facilities for serving and developing commerce. It appears that there are at present employed at said terminal approximately 400 persons; that after the completion of the construction thereof and the commencement of its operation approximately 60 persons will be regularly employed, who will require transportation service; that in addition to the regular city employees here mentioned there will be many longshoremen employed for the loading and unloading of ships; that about 125 men working in single shifts are required for the loading or unloading of a vessel; and that there will be many people who have occasion to transact business at or visit said terminal who will require the use of some means of transportation. It also appears that the terminal is a considerable distance from any residential locality, and it is necessary for practically all of the employees at such terminal, and others, to have some method of transportation between the terminal and the respective homes situated throughout the various parts of the City of Portland.

In order to provide the desired transportation facilities it will be necessary to extend the street railway line of the Portland Railway, Light & Power Company from the terminus of its St. Johns line at Jersey and Fessenden Streets to the St. Johns terminal, a distance of approximately one and one-eighth miles, which extension it is estimated will cost about \$35,000.

The parties herein have filed a stipulation, the salient features of which, in sum and substance, are as follows:

"That a public necessity exists for the construction of the extension prayed for in the petition filed herein by the City of Portland.

"That \* \* \* Portland Railway, Light & Power Company has not and can not obtain the requisite funds with which to construct said extension.

"That the Commission of Public Docks has sufficient money on hand with which to construct said proposed extension \* \* \*.

"That while the section tributary to said St. Johns Terminal is developing, it will be quite a while before the density of travel will be such as to absorb any present loss in operation of such extension.

"That in order to operate said extension so as to yield a reasonable rate of return upon the investment cost thereof would require the charging of an additional fare over such extension.

"That Portland Railway, Light & Power Company is willing to operate said extension if built by said Commission of Public Docks at actual cost to said Portland Railway, Light & Power Company, conditioned upon a proper operating contract being entered into with said Commission of Public Docks."

Section 2 of Chapter 164 of the Laws of Oregon for 1917, under the authority of which this application is brought, provides as follows:

"The Public Service Commission shall have power to require any such public utility, after a public hearing of all parties interested, to extend its line, plant or system into, and to render service to, a locality not already served when the existing public convenience and necessity require such extension and service; provided, however, that no such extension of service shall be required until such public utility shall have first been granted such reasonable franchises over streets within municipalities or county roads as may be necessary for any such extension or service, nor unless the conditions are such as to reasonably justify the necessary investment by such company in extending its line, plant or system into such locality and furnishing such service."

Both the stipulation and the testimony tend to establish the fact that the "existing public convenience and necessity require such extension and service."

It is apparent from the record that street railway facilities are as essential to the successful operation of the St. Johns terminal as are the numerous tracks for the handling of freight. It is conceded by all that without such rapid transit facilities the terminal can not be operated with success. It is, therefore, manifest that the necessity which exists for this extension is not one occasioned by the car rider, but is, rather, a necessity created by the general public. It is likewise apparent that any benefits which might accrue therefrom would redound principally to the general public rather than to the individual who may have occasion to use such facilities.

The record discloses that the Dock Commission has at its disposal sufficient funds with which to make the desired extension and will construct the same if the respondent is not required to do so. Furthermore, the stipulation filed herein

provides for the operation thereof by the respondent at actual cost to it, in the event of such a contingency. This we believe to be the logical and just solution of the problem, and the application herein will accordingly be denied.

IT IS, THEREFORE, ORDERED that the application herein be, and it hereby is, denied, and the case closed upon the docket of the Commission.

In the matter of the application of A. RUPERT COMPANY, INC., for permission to construct an industry spur track at grade across Sheldon Avenue in the City of Falls City, Oregon. } F-866

ORDER ENTERED FEBRUARY 26, 1920—P. S. C. ORDER NO. 574

Investigation having been made and an inspection of the site of the proposed crossing having been made, it appears to the Commission from such investigation and inspection and from the entire record herein:

\* \* \* \* \*  
That for the proper operation of such canning plant and particularly of an addition thereto now being constructed at the west end of the existing building it is necessary to construct a spur track running from a connection with the Southern Pacific main line track east of Sheldon Avenue, across Sheldon Avenue and thence along the side of said canning plant and addition thereto.  
\* \* \* \* \*

IT IS, THEREFORE, ORDERED that the application herein be granted and the applicant, A. Rupert Company, Inc., be, and it is hereby, authorized to construct at common grade an industry spur track across Sheldon Avenue in Falls City, Oregon, on condition that no car or cars be allowed to stand on such spur track east of a point sixty-five (65) feet west of the east end of applicant's existing cannery building and that a deraill be installed and maintained at said point; and provided further, that such crossing shall be constructed by the applicant in a substantial manner and maintained in a safe and serviceable condition, all at said applicant's own expense.

In the matter of the application of the NORTHERN PACIFIC TERMINAL OF OREGON for permission to construct certain spur track, sidings and switches at grade along and across Twenty-sixth Street, Twenty-seventh Street, and Wilson Street, in the City of Portland, Oregon. } F-876

ORDER ENTERED FEBRUARY 27, 1920—P. S. C. ORDER NO. 576

This matter being before the Commission upon the application of the Northern Pacific Terminal of Oregon for permission to construct certain spur track, sidings and switches at grade along and across Twenty-sixth Street, Twenty-seventh Street, and Wilson Street, in the City of Portland. \* \* \*

And it being provided by statute that such applications may be considered without formal hearing and disposed of by ex parte order, the Commission has made an examination of the site of the proposed spur track, sidings and switches, and has considered the application and the entire record herein and from such inspection and consideration and the entire record herein finds:

That the proposed spur track, sidings and switches are to be constructed for the primary purpose of serving the plants of Montgomery, Ward & Company and the American Can Company to be located in the vicinity of Twenty-seventh and Wilson Streets;

That the district wherein the proposed tracks are to be constructed is one suitable and largely used for industrial plants requiring railway facilities;

That the furnishing of such railway facilities requires the construction of tracks as proposed herein along and across the streets named and that their construction otherwise than at common grade with such streets is impracticable;

\* \* \* \* \*

That it is for the benefit of the public welfare that the application be granted.

IT IS, THEREFORE, ORDERED that the application herein be granted and the applicant, Northern Pacific Terminal of Oregon be, and the same is hereby, authorized to construct certain spur track, sidings and switches at grade along and across Twenty-sixth Street, Twenty-seventh Street, and Wilson Street, in the City of Portland, Oregon. \* \* \*

In the matter of the investigation of the rates and practices of the PHILOMATH TELEPHONE COMPANY. } U-F-270

ORDER ENTERED MARCH 8, 1920—P. S. C. ORDER NO. 578

Hearing in the above entitled matter was set down and held on October 8, 1919, at Philomath, Benton County, Oregon, and adjourned session of the hearing in the same matter was held on the twenty-second day of December, 1919, at the same place.

#### FINDINGS

##### I

That prior to July 1, 1919, there were two telephone companies operating plants and systems in the City of Philomath and surrounding country. One, the Independent Company, having some sixty-five or seventy patrons; the other, The Pacific Telephone & Telegraph Company, having some 175 patrons. During July, 1919, one G. H. Jones acquired the property and property rights of the Philomath Independent Telephone Company, and on August 5, 1919, acquired a portion of the property of The Pacific Telephone & Telegraph Company in the City of Philomath and vicinity. Shortly thereafter these two systems were consolidated, and have since been operated by Mr. Jones under the name of the Philomath Telephone Company.

\* \* \* \* \*

##### II

Tariff filed January 15, 1913, by The Pacific Telephone & Telegraph Company, covering exchange rates at Philomath, included a switching rate of \$3.60 per annum, which rate has remained in effect for a number of years. It appears that this rate contemplated the ownership by the subscriber of his telephone instrument as well as all lines and other equipment to the city limits. Where the company provided the phone \$1.40 per year was added to this rate.

\* \* \* \* \*

The first change affecting the rates of The Pacific Company then being collected in this exchange, was inaugurated by the so-called Burleson schedule, wherein free interexchange service with Corvallis was discontinued, and wherein a modification of the switching rate was made and an exchange rate area was inaugurated. This tariff provided for farmer line switching, for exchanges of 300 subscribers or less (which would apply to the Philomath exchange) of \$3 per annum on residence phones and \$6 for business phones, with a discount of 10 per cent if paid during the first month of the year.

##### III

A tariff of the Philomath Independent Telephone Company on file in this office, issued May 31, 1913, bearing an effective date of January 1, 1911, shows a rate for business and residence service of \$1 per month, rent of line and equipment (no telephone) 75 cents per month; farmer line switching, lines owned and maintained by owner, to point of trunk connection for each subscriber, 25 cents per month; with toll line charge to Corvallis to nonsubscribers of 15 cents per call. \* \* \*

##### IV

That the rates as above set out were maintained by the respective companies for a number of years, presumably from the time the companies were first organized or began service in this community.



## V

That The Pacific Telephone & Telegraph Company had collected, in advance, during the month of January, 1919, from practically all of its patrons, payment in full for switching service during the year 1919, and had passed receipts for the same, the amounts collected being either \$3.60 or \$5 per annum, depending upon whether or not the subscriber owned his own telephone instrument, and that such charges applied to residence or business service on either city or suburban lines without any distinction whatsoever.

## VII

That up until the time of the alleged transfer of the interest of these two telephone companies herein named to the present alleged owner, G. H. Jones, there had been no change applied for or made in the rates or regulations since the dates hereinbefore named of the tariffs dated 1913, except as hereinbefore set forth.

## VIII

That there had been no complaint of the service to this Commission, or of the regulations or rates prior to about September 1, 1919.

## IX

That The Pacific Telephone & Telegraph Company maintained a manager of the exchange at Philomath up to and including about the fifteenth day of September, 1919.

## X

That The Pacific Telephone & Telegraph Company made no refund or return of the moneys collected by them in advance for telephone service for the year 1919 to their several patrons and subscribers.

## XI

That the patrons and subscribers of The Pacific Telephone & Telegraph Company exchange who had paid their telephone rental for the year 1919, and who were not in arrears, were entitled to this service from The Pacific Telephone & Telegraph Company, and that the said Pacific Telephone & Telegraph Company was responsible for the same unless relieved by this Commission or by other operation of law.

## XII

That the said G. H. Jones, without warrant of law or legal order of this Commission, disconnected various of the subscribers, and attempted to establish different service, rates and regulations than those then legally in effect.

## XIII

That the consolidation of the two said exchanges, if properly, systematically and legally done, is for the best interests and for the welfare of the community and should result in better service for the City of Philomath and its citizens and the country tributary thereto, in both its business and social relations.

## XIV

That the rates, in themselves, in force and effect and being collected in the City of Philomath are unreasonable, unjust, unjustly discriminatory, noncompensatory, and not conducive for the best service.

That just, reasonable, compensatory and not unjustly discriminatory rates and charges to be followed, imposed and collected in the future are as follows:

	Rate per Month	
	Wall Set	Desk Set
<i>Business—Unlimited Service—</i>		
Individual line .....	\$2.00	\$2.25
Two-party line .....	1.75	2.00
Suburban service, ten-party line .....	1.50	1.75
Extension, without bell .....	.75	1.00
Extension, with bell .....	.90	1.15
<i>Residence—Unlimited Service—</i>		
Individual line .....	1.75	2.00
Two-party line .....	1.50	1.75
Four-party line .....	1.25	1.50
Extension, without bell .....	.50	.75
Extension, with bell .....	.65	.90
Suburban service, ten-party line .....	1.25	1.50

(Note.—The above rates apply where company owns and maintains all lines and equipment.)

An allowance or rental of 25 cents per month shall be made where subscriber owns his own telephone.

**Farmer Line Switching—**

Farmer line switching service, where subscriber owns and maintains lines and equipment to trunk connection with exchange at city limits, \$6 per annum.

**XV**

That the rates and charges hereinbefore found to be just, reasonable and sufficient represent the substantial value of the respective classes of service rendered by said utility as at present constituted and that any increase thereof, until full consolidation is completely effected and in harmonious working order, would exceed the value of the service to the subscribers.

**XVI**

That the free interexchange service between Philomath and Corvallis, which was discontinued at the time of the inauguration of the so-called Burleson schedule, was again reinstated under and by virtue of the terms of Order No. 557 of this Commission in case F-265, and is now being afforded.

**XVII**

That all telephones, the rental of which was paid in advance during the year 1919, should, upon written request to the Philomath Telephone Company, be immediately reinstalled and reconnected without any service connection charge to the patron, if such patron desires service, within twenty days after the issuance of this order.

**ORDER**

NOW, THEREFORE, based upon the foregoing findings, and upon the complete record herein,

IT IS HEREBY ORDERED that the said Philomath Telephone Company of Philomath, Oregon (comprising what was formerly known as The Pacific Telephone & Telegraph Company plant, and the Philomath Independent Telephone Company plant at and in the vicinity of Philomath) be, and it hereby is, required to cease and desist from charging, imposing and collecting the rates heretofore existing and in paragraph XIV of these findings found to be unreasonable, unjust, unjustly discriminatory, noncompensatory and not conducive for the best service; and to substitute in lieu thereof the just, reasonable, compensatory and not unjustly discriminatory rates and charges in paragraph XIV of said finding set out.

IT IS FURTHER ORDERED that all telephones, the rental of which was paid for in advance during 1919, to either the Philomath Independent Telephone Company or The Pacific Telephone & Telegraph Company of the Philomath exchange, or the successors of either of these, shall upon written request to the Philomath Telephone Company, be immediately reinstalled and reconnected without any service charge to the patron, if such patron desires telephone service, within twenty days after the issuance of this order.

IT IS FURTHER ORDERED that the said Philomath Telephone Company shall in all things fully comply with each and all of the requirements hereinbefore in our opinion and findings set out, and in such manner as will meet the full spirit, intent and direction of this Order.

IT IS FURTHER ORDERED that this proceeding shall remain open upon the docket of the Commission for such further investigation and action as may be meet in the premises or required in the future. The effective date hereof shall be March 10, 1920.

In the matter of the application of the OREGON STATE  
HIGHWAY COMMISSION for an order permitting and  
authorizing an overhead crossing for the State High-  
way over the Southern Pacific Railway Company's  
tracks at, or near, the Town of Ashland, in Jackson  
County, Oregon. } F-854

ORDER ENTERED MARCH 9, 1920—P. S. C. ORDER NO. 579

The hearing upon the application of the State Highway Commission of the State of Oregon in this matter was held at the City Hall in the City of Ashland, Jackson County, Oregon, before the Public Service Commission of Oregon, Commissioner Fred A. Williams presiding, at the hour of 1 o'clock in the afternoon on Friday, the thirteenth day of February, 1920, at the time and place appointed

by written notice, addressed to all the parties in interest, and after the crossing had been viewed by the Public Service Commission, the members of the County Court, and those representing the applicant and the Railroad Administration, proceedings were had and appearances were made as follows:

Oregon-California Railroad Company, Director General of Railroads, United States Railroad Administration, Southern Pacific Lines in Oregon, by Paul P. Farrens, Attorney.

Oregon State Highway Commission, by J. M. Devers, Attorney.

Jackson County, Oregon, by G. M. Roberts, District Attorney; G. A. Gardner, County Judge; Geo. W. Owen, County Commissioner; James Owens, County Commissioner.

No pleadings were filed other than the application of the State Highway Commission, but in lieu of an answer for the United States Railroad Administration, the Southern Pacific Company, and the Oregon-California Railroad Company, a stipulation of facts and an agreement as between the applicant and the railroad company was made and read into the record, and is controlling as far as this phase is concerned. The county admitted the allegations of the applicant's petition and assented to a division of the cost of construction allocated for apportionment between the applicant, the railroad company and the county.

#### STATEMENT

This application on the part of the State Highway Commission was brought and the proceedings held under the provisions of Chapter 228 of the Laws of Oregon for 1917 and amendments thereto, and prays for an order by the Public Service Commission of said State authorizing and permitting the said applicant to cross the tracks of the Oregon-California Railroad Company, Southern Pacific Company, lessee, and the United States Railroad Administration, operators, by the construction of an overhead crossing as part of State Highway No. 1, otherwise known as the Pacific Highway, in or near the city limits of the City of Ashland, Jackson County, Oregon, and prays further that such an order fix and determine the terms and conditions thereof, and apportion the cost of construction between the County of Jackson, the railroad company and the State Highway Commission. Supporting the petition, the applicant alleges the constitution of the Highway Commission, and the feasibility and necessity of an overhead crossing at this point in view of the heavy movement of trains over the railroad and the heavy and continuous travel over the highway. That any other than a separation of grades would impair the safety of the public welfare both from the standpoint of the railroad and highway travel.

That all things considered, it is the most practicable and advisable type of crossing from the standpoint of cost and effectiveness that could be adopted; that by this method there will be entirely eliminated one much-used grade crossing, and by reason of the central and convenient location of the highway and proposed crossing, it will relieve many of the adjacent crossings of a greater portion of the travel. Such allegations were admitted by all parties, leaving only of the details of construction and the proper allocation of the costs. \* \* \*

The total cost of the construction is estimated at \$22,000.

#### FINDINGS

##### I

That the application herein be granted, authorizing and permitting the Oregon State Highway Commission to construct an overhead crossing on Highway No. 1, otherwise known as the Pacific Highway, over the railroad tracks of the Oregon-California Railroad Company, Southern Pacific Company, lessee, within or near the city limits of the City of Ashland, Jackson County, Oregon. \* \* \*

(c) That the present crossing at grade near the site of the proposed crossing and a short distance south thereof, designated as 427-C (railroad number) shall, upon the completion of said overhead crossing be immediately abolished, vacated, discontinued, and fenced up by the railroad company.

##### III

That in arriving at an allocation of the cost of said construction and the apportionment of the same to be paid by the parties in interest, there shall be taken into consideration the removal of the present grade crossing, cattle guards, winged fences, the maintenance and protection of the telegraph wires immediately

adjacent to the crossing, the cost of a new overhead crossing, the necessary excavating and fill incident thereto, and the concrete and wooden trestle and earth fill approaches. The participation in the cost of such overhead crossing above and heretofore outlined to be confined between highway engineer stations, the limits being 344 plus 25 and 355 plus 25, excluding the cost of hard surfacing the roadway. Also the cost of any safety device installed and maintained during construction for the safety of operation, or, if necessary, the expense of maintaining a flagman or such other safeguards as may be proper or agreed upon by the parties hereto, shall be considered as a part of the cost of construction.

#### ORDER

Based on the foregoing findings, IT IS HEREBY ORDERED and the application is hereby granted, giving the right and authority to the Oregon State Highway Commission to construct an overhead crossing on Highway No. 1, otherwise known as the Pacific Highway, over the tracks of the Oregon-California Railroad Company in or near the city limits of the City of Ashland, Jackson County, Oregon, near crossing 427-C (railroad number), in the manner and place and upon the terms and conditions hereinbefore set forth.

IT IS FURTHER ORDERED that the cost of constructing the said overhead crossing and eliminating the present grade crossing shall be borne as follows:

Forty per cent by the Oregon-California Railroad Company, Southern Pacific Company, lessee, its trustees or receivers; 40 per cent by the Oregon State Highway Commission; and 20 per cent by the County of Jackson, State of Oregon. The basis of such apportionment and allocation of cost to be determined and arrived at in the manner hereinbefore in the findings set out in paragraph 3.

IT IS FURTHER ORDERED that upon completion of said overhead crossing that the crossing at grade a short distance south of the site of the proposed structure designated as 427-C (railroad number) shall be eliminated, abolished, vacated and fenced.

IT IS FURTHER ORDERED that the cost of maintaining said overhead crossing shall be borne equally by the applicant, Oregon State Highway Commission, and Jackson County, Oregon.

AND IT IS SO ORDERED.

In the matter of the application of the UNION OIL COMPANY of California for permission to construct an industry spur track across the county road in Tillamook County, Oregon, which connects with Third Street in the City of Tillamook, Oregon. } F-875

ORDER ENTERED MARCH 10, 1920—P. S. C. ORDER NO. 580

This matter was brought before the Commission upon the application of the Union Oil Company of California for permission to construct a spur track at common grade across a county road in Tillamook County, Oregon, which county road connects with and is an extension of Third Street in the City of Tillamook, Oregon.

This case was set for hearing at the courthouse in the city of Tillamook, Oregon. Previous to the time set for the hearing the site of the proposed crossing was viewed and an investigation made of the conditions surrounding the same, by the Commission, at which time the Commission was advised by the County Court of Tillamook County, Oregon, and by counsel for the Southern Pacific Company, Director General of Railroads, United States Railroad Administration, those being the only parties interested other than the applicant, that there were no objections by such County Court or by the Southern Pacific Company, Director General of Railroads, United States Railroad Administration, to the granting of the above mentioned petition.

Therefore there being no objection, formal hearing by the Commission was dispensed with, and the matter is herewith disposed of in accordance with the law governing such matters by ex parte order, and without formal hearing. And the Commission being fully advised in the premises, and sufficient cause appearing therefor, finds:

## III

That the application herein should be granted as prayed for and permission given to the applicant to construct an industry spur track, standard gauge, over and across the county road in Tillamook County, Oregon, which connects with Third Street in the City of Tillamook, Oregon, conformable to the plans outlined in the blue print attached to the application on file herein, and by this reference made a part hereof.

## ORDER

Based upon the foregoing findings IT IS HEREBY ORDERED that the application of the Union Oil Company of California on file in the above entitled matter be, and it hereby is, granted in all things as prayed for, and the said applicant is hereby granted permission to construct an industry spur track, standard gauge, at common grade, over and across the county road in Tillamook County, Oregon, which connects with Third Street in the City of Tillamook, Oregon, to connect with the tracks of the Southern Pacific Company, as set forth and delineated in the blue print attached to the application, and by this reference made a part hereof.

PROVIDED, HOWEVER, that all movements over such industry spur track shall be made under flag.

In the matter of the application of PORTLAND RAILWAY,  
LIGHT & POWER COMPANY for increase in fares on } U-F-268  
street railway lines in the City of Portland.

ORDER ENTERED MARCH 23, 1920—P. S. C. ORDER NO. 581

Application brought by Portland Railway, Light & Power Company for authority to increase fares on street railway lines in the City of Portland.

*Appearances:*

R. A. Leiter, for applicant; Stanley Myers and J. P. Newell, for City of Portland; L. L. Levings for Woodmere Community Club.

On August 15, 1919, the Portland Railway, Light & Power Company, herein-after for convenience referred to as the company, filed with this Commission an application for authority to increase fares on its street railway lines in the City of Portland, requesting that an order be entered discontinuing each and all of the rates of fare prescribed in Order No. 321 of this Commission, and that there be prescribed in lieu thereof such cash fares and transfer charges as will yield a minimum return of 7 per cent upon the value of its street railway property.

After full consideration of all phases of the subjects herein presented, the Commission is of the opinion that final action herein should be held in abeyance, and the matter continued upon the dockets of the Commission for such further action as may be found meet and proper in the premises, AND IT IS SO ORDERED.

In the matter of the investigation and suspension of ad-  
vances in rates and fares by the SUMPTER VALLEY } F-848  
RAILWAY COMPANY.

In the matter of the investigation of the distance, class  
and commodity rates of the SUMPTER VALLEY RAIL- } F-867  
WAY COMPANY.

ORDER ENTERED MARCH 20, 1920—P. S. C. OR. ORDER NO. 582

These are proceedings instituted upon the Commission's own motion concerning the propriety and reasonableness of certain increased freight rates and passenger fares proposed to be made effective, and of certain emergency freight rates authorized by this Commission, applicable between points on the line of the Sumpter Valley Railway Company.

*Appearances:*

For Sumpter Valley Railway Company—Joseph N. Teal, John L. Rand, and William C. McCulloch, its attorneys.

For intervenors, Baker White Pine Lumber Company, Stoddard Lumber Company, H. H. Trowbridge and James Kidwell, copartners as Kidwell & Trowbridge—A. A. Smith, and Nichols & Hallock, their attorneys.

The former of these cases, File No. F-848, is a proceeding instituted by the Commission on its own motion for the purpose of investigating and ascertaining the propriety and lawfulness of certain proposed increased rates and fares contained in Sumpter Valley Railway Company Local Passenger and Excess Baggage Tariff No. 92-C, P. S. C. Or. No. 139, and Supplement No. 2 to Local Freight Tariff No. 46-D, P. S. C. Or. No. 49, filed October 10, 1919, to become effective October 22, 1919. The former of these tariffs named certain increased passenger fares on a basis of 5 cents per mile, in lieu of the 4-cent fare heretofore obtaining. The latter tariff named certain increased minimum charges, transfer charges, hay, livestock and log rates. These proposed increases were suspended by order of the Commission pending its investigation and determination.

The latter of these cases, File No. F-867, is an investigation instituted by the Commission for the purpose of determining the propriety and reasonableness of certain distance class and commodity rates heretofore established as temporary emergency rates by order of this Commission. The two cases taken together involve substantially all of the rates and fares of the respondent company. For convenience and by stipulation and agreement of the parties, these two cases have been consolidated for the purpose of hearing and investigation, and may be disposed of by one order.

The increases proposed in the tariffs under suspension may be summarized as follows:

1. A minimum carload charge of \$10 for line hauls of 20 miles or less, and \$15 per car for line hauls of over 20 miles, except where a different minimum is specifically provided as in the case of the log rate, where a \$10 per car minimum is provided.

2. Increase in transfer charges at Baker to cover cost thereof.

3. Increase in rates on hay, as follows:

Between Baker and McEwen, from 10½c to 18c per 100 pounds.

Commodity rate between Prairie and White Pine canceled with no advance in rate.

4. Increase in rates on livestock as follows:

Cattle, etc., between Baker and Austin increased from \$22.50 to \$36.50 per car; between Baker and Prairie from \$36.50 to \$42.50 per car.

Sheep and goats, between Baker and Austin increased from \$19.50 to \$29 per car; between Baker and Prairie, from \$27 to \$34 per car.

5. Log rates:

Dean to Baker, increased from \$2.19 to \$2.75 per M.; Clifford to Baker, \$3.24 to \$4.70 per M.; Dixie to Baker \$5 to \$6 per M.

A uniform scale from other points is provided.

6. Item 68-A corrects the reference in the hay column to the proper item covering the minimum weight and advances the rate on sheep and goats for hauls of five miles or less from \$8 to \$10 per car.

Through an error in printing the tariff, the cattle rate for ten miles was reduced from \$13 to \$10. This is of no consequence, as there is no movement under this rate.

7. Passenger fares under Tariff 92-C are increased from 4 to 5 cents per mile.

In justification of these proposed increases it is claimed by the respondent that by reason of increased labor and material costs additional revenue is necessitated, and that in attempting to secure this necessary revenue the increased rates and charges were placed upon the traffic which, in its opinion, was not bearing its proper proportion of the cost of service. The amount of these increases, as applied to the traffic which actually moved during the fiscal year ended June 30, 1919, would be approximately as follows:

Passenger traffic .....	\$10,738.82
Logs .....	36,796.31
Hay .....	3,000.00
Livestock .....	2,500.00
Minimum car charge .....	700.00
Transfer charges .....	300.00
<b>Total .....</b>	<b>\$54,035.13</b>

*Valuation*

In connection with and as a part of the investigation in this case the Commission's staff has made studies and calculations concerning the matter of the original cost of the properties of the Sumpter Valley Railway Company. The company also presented in evidence certain estimates of reproduction cost of its properties, including the engineering report of the valuation section of the Interstate Commerce Commission. The question of valuation, however, has not been fully presented in this case, nor has a final value to be used as a rate base ever been fixed by either the Interstate Commerce Commission or this Commission, so far as the Sumpter Valley Railway is concerned. The Commission will not, under the circumstances, attempt at this time to approximate a rate base value for this road from the record hereon, but will await the final findings and order of the Interstate Commerce Commission.

*Financial and Operating Statistics*

The record herein discloses the following facts with respect to the net revenue and the operating ratio of the Sumpter Valley Railway Company for a series of years:

	1915	1916	1917	1918	Nine months ended Sept. 30, 1919
Net revenue .....	\$67,329.02	\$41,400.51	\$24,282.84	\$ 7,306.20	\$ 902.49
Operating ratio, per cent	66.45	74.66	80.25	85.67	88.24

The railway operating revenue for the first nine months of 1919 included \$17,109.42 received from the United States Railroad Administration. Eliminating this amount there would have been a deficit. Moreover, the addition of this amount to operating revenue reduces the operating ratio which, without it, would be appreciably higher.

Between 85 and 90 per cent of the freight traffic of this road consists of forest products. Expressed in carloads, tons and ton-miles for the year ending June 30, 1919, the traffic is divided as follows:

	Carloads	Tons	Ton-miles
Lumber .....	3,651	76,530	4,561,665
Logs .....	8,818	123,541	4,588,183
Other forest products .....	357	4,210	147,790
Total .....	12,826	204,281	9,297,638
All other freight .....	1,839	24,743	1,689,219
Total all freight .....	14,665	229,024	10,986,857

The revenue received during the same period and the sources from which it was derived is as follows:

	Carloads	Total revenue	Revenue per ton-mile (Mills)	Revenue per car-mile (Cents)	Revenue per carload	Average miles hauled	Average weight per car (Pounds)
Lumber .....	3,651	\$137,521.85	30.15	63.2	\$37.67	59.61	41,923
Logs .....	8,818	94,330.69	20.56	28.81	10.70	37.14	28,020
Other forest products .....	357	4,517.02	30.56	36	12.65	35.10	23,585
Total .....	12,826	\$236,369.56	25.42	40.5	\$18.43	45.51	31,854
All other .....	1,839	126,312.71	74.77	100.5	68.58	58.23	26,910
Total .....	14,665	\$362,682.27	33.01	51.4	\$24.73	48.05	31,234

The record herein discloses that in the fall of the year 1918 an increase in wages of the employees of the Sumpter Valley Railway Company amounting to about \$24,000 per annum over those theretofore prevailing was proposed by the United States Board of Mediation and Conciliation and by the United States Department of Labor. The company being financially unable to pay the proposed increase, a strike followed, and the road ceased operating temporarily. Thereafter, through an allowance on certain shipments of lumber, the Railroad Administration provided a fund to offset this increase in wages, but this allowance ceased at the end of Federal control on February 29, 1920, although the increased wage still continues in effect.

The record also discloses that the financial and operating conditions of said railway company have not improved since November 1, 1918, but on the contrary are worse, and further relief is essential if the road is to be operated and maintained without creating a deficit. The net earnings of this company for the twelve months ended December 31, 1919, were \$15,711.29, which included the sum of \$22,881.95 received from the Railroad Administration through the allowance on lumber shipments above mentioned. Without this Federal aid, during this period the deficit would have been \$7,170.66. Manifestly, since this allowance has ceased, unless relief is had through increases in revenue or a reduction in expenses, a deficit will ensue for the fiscal year 1920.

#### *Emergency Rates*

The record discloses that the unusual conditions which existed at the time of the issuance of our order fixing emergency rates, and which prompted the Commission to act at that time, continue to exist and in fact have been augmented to some extent. It is our opinion, therefore, that the rates as fixed by the Commission in that order, with such changes as hereinafter prescribed, should be permitted to remain in effect.

#### FINDINGS

The Commission having fully considered all the evidence and proofs offered and received, and the entire record herein, and being now fully advised in the premises, makes the following findings:

1. That the said Sumpter Valley Railway Company is a corporation organized and existing under and by virtue of the laws of the State of Oregon, and is a common carrier engaged in the transportation of persons and property by railroad between points in the State of Oregon.

2. That the local one-way passenger fares, and the excess baggage rates now applicable to intrastate traffic between points on the line of railroad of said company are named in Sumpter Valley Railway Company Local Passenger and Excess Baggage Tariff No. 92-B, P. S. C. Or. No. 132.

3. That the said rates and fares contained in said tariff, applicable to the transportation of passengers between points on said railroad of the Sumpter Valley Railway Company were prescribed by order of this Commission under date of September 6, 1912, and since the effective date of that order have been charged and collected for the transportation of passengers over said line of railroad.

4. That on the tenth day of October, 1919, there was filed with this Commission by the said Sumpter Valley Railway Company, to become effective October 22, 1919, its Local Passenger and Excess Baggage Tariff No. 92-C, P. S. C. Or. No. 139, naming certain increased passenger fares, figured on a basis of 5 cents per mile, the operation of which tariff was by order of this Commission suspended pending investigation.

5. That the fares for the transportation of passengers as set out in said Local Passenger and Excess Baggage Tariff No. 92-B are unjust, unreasonable and unjustly discriminatory in that they do not place upon the passenger traffic of said Sumpter Valley Railway Company a fair and equitable proportion of the cost of service.

6. That just, reasonable and not unjustly discriminatory intrastate rates and fares for the transportation of passengers between points on the line of said Sumpter Valley Railway Company within the State of Oregon are those set out in Sumpter Valley Railway Company Local Passenger and Excess Baggage Tariff No. 92-C, hereinbefore referred to, which said tariff is by this reference made a part hereof.

7. That the Commission's order of suspension should be withdrawn with respect to said Sumpter Valley Railway Company Local Passenger and Excess Baggage Tariff No. 92-C, and the rates, fares and charges therein contained permitted to become effective upon one day's notice to the Commission and to the public.



8. That the existing and effective distance, class and commodity rates of the Sumpter Valley Railway Company for the transportation of intrastate freight between points on its line of railroad within the State of Oregon, and for switching and special service in connection therewith are contained in Sumpter Valley Railway Company Local Freight Tariff No. 46-D, which is by this reference made a part hereof.

9. That Supplement No. 2 to said Sumpter Valley Railway Company Local Freight Tariff No. 46-D, filed with this Commission October 10, 1919, to become effective October 22, 1919, and which said supplement to said tariff was suspended by this Commission pending investigation, and which said tariff is by this reference made a part hereof, named certain increased transfer and minimum charges, and certain increased rates for the transportation of hay, livestock and logs between points on the line of the Sumpter Valley Railway Company within the State of Oregon.

10. That the Oregon intrastate rates and charges contained in said Sumpter Valley Railway Company Local Freight Tariff No. 46-D, and in said Supplement No. 2 to said tariff, in so far as they differ from or are in conflict with the just, reasonable and not unjustly discriminatory rates and charges hereinafter set forth are unjust, unreasonable and unjustly discriminatory.

11. That just, reasonable and not unjustly discriminatory rates and charges to be charged, imposed and collected by the said Sumpter Valley Railway Company for the intrastate transportation of logs, lumber and hay, respectively, between the points on its line of railroad hereinafter named are as follows:

**Logs**—Carload minimum, 3,000 feet. Minimum charge, \$10 per car.

	Per 1,000 ft. B. M.
Between Baker and Dean .....	\$ 2.65
Between Baker and McEwen .....	2.90
Between Baker and Sumpter .....	3.50
Between Baker and Larch .....	3.70
Between Baker and Whitney .....	4.35
Between Baker and Clifford .....	4.50
Between Baker and Tipton .....	4.80
Between Baker and Austin .....	5.35
Between Baker and Dixie .....	5.75

**Lumber, Pickets and Ties**—(Rough green, not further finished).

	Rate in Cents per 100 lbs.
Between Baker and Sumpter .....	7

**Lath**—(Green or dry) on open cars, minimum weight as per Rules 33 and 34.

	Rate in Cents per 100 lbs.
Between Baker and Larch .....	7 1/4
Between Baker and Whitney .....	8 1/4
Between Baker and Tipton .....	9
Between Baker and Austin .....	9 1/2
Between Baker and Dixie .....	10
Between Baker and Prairie .....	10 1/4

**Hay**—(Baled), minimum weight, 16,000 pounds.

	Rate in Cents per 100 lbs.
Between Baker and McEwen .....	13
Between Baker and Prairie .....	25

12. That the operation of the rates, charges and regulations contained in Supplement No. 2 to Sumpter Valley Railway Company Local Freight Tariff No. 46-D, in so far as they may be inconsistent with the just, reasonable and not unjustly discriminatory rates hereinbefore set forth, should be permanently suspended, and the said Sumpter Valley Railway Company permitted to file a tariff or supplement to its present tariff, upon one day's notice to the Commission and to the public, naming rates and charges not inconsistent with those hereinbefore found to be just, reasonable and not unjustly discriminatory.

13. That the emergency rates fixed by order of this Commission under date of November 1, 1918, applicable on the Sumpter Valley Railway, with the modifications herein prescribed, should be permitted to continue in effect.

#### ORDER

Based upon the foregoing findings, and upon the entire record herein, IT IS, THEREFORE, ORDERED, CONSIDERED AND DETERMINED that the Sumpter Valley Railway Company shall cease and desist from charging, imposing and collecting for the intrastate transportation of persons and property between points on its line of railway as above described, the respective rates, fares and charges here-

inbefore found to be unjust, unreasonable and unjustly discriminatory, and in lieu thereof shall, in the future, substitute, impose, charge and collect the rates, fares and charges hereinbefore found to be just, reasonable and nondiscriminatory.

IT IS FURTHER ORDERED that the Commission's order of suspension with respect to Sumpter Valley Railway Company Local Passenger and Excess Baggage Tariff No. 92-C be, and it hereby is, withdrawn, and the rates, fares and charges therein contained permitted to become effective upon one day's notice to the Commission and to the public.

IT IS FURTHER ORDERED that the operation of the rates, charges and regulations contained in Supplement No. 2 to Sumpter Valley Railway Company Local Freight Tariff No. 46-D, in so far as they are inconsistent with the just and reasonable rates hereinbefore set forth be, and they hereby are, permanently suspended, and the Sumpter Valley Railway Company permitted to file a tariff or a supplement to its present tariff, upon one day's notice to the Commission and to the public, naming rates and charges not inconsistent with those hereinbefore found to be just, reasonable and not unjustly discriminatory.

IT IS FURTHER ORDERED that the emergency rates fixed by order of this Commission under date of November 1, 1918, applicable on the line of the Sumpter Valley Railway Company, in so far as the same are not in conflict with those hereinbefore prescribed be, and they hereby are, permitted to remain in effect.

In the matter of the telephone connection between the  
lines of THE DESCHUTES MUTUAL TELEPHONE COM- } U-F-297  
PANY and CROOKED RIVER TELEPHONE ASSOCIATION. }

ORDER ENTERED APRIL 5, 1920—P. S. C. ORDER NO. 584

The above entitled matter came on regularly for hearing before the Public Service Commission of Oregon at the municipal gymnasium in the City of Redmond, Oregon, at the hour and place set, to wit, the first day of April, 1920, at 9 o'clock in the forenoon, upon the application of the Crooked River Telephone Association.

Roy Rannels and a number of co-owners of the Crooked River Telephone Association lines were present and were heard, together with C. N. Miller of Redmond, Oregon. The Deschutes Mutual Telephone Company was represented by E. A. Wimp, Secretary.

It appears that the Crooked River Telephone Association is one formed for the purpose of erecting and maintaining eight or ten miles of telephone line between Redmond and Prineville on Crooked River. That it is a partnership composed of farmers living in this neighborhood, about a dozen in number. It was shown at the hearing that the poles had all been set and the wire purchased and that the telephone line will extend when completed to a point about half way between Redmond and Prineville. That the postoffice and natural trading point of the several owners of this line is at Redmond. It was further shown that it is convenient and satisfactory to make a physical connection at Van Allen's ranch with the line of the Deschutes Mutual Telephone Company, and that all arrangements had been satisfactorily adjusted previously or at the meeting between the owners and patrons of what is known as the Crooked River Telephone Association and of the Deschutes Mutual Telephone Company at Van Allen's ranch, that a public necessity exists demanding such connection, and that it is a convenience and will contribute to the welfare of the residents of that particular locality.

WHEREFORE it is hereby ordered that the Deschutes Mutual Telephone Company permit the Crooked River Telephone Association to be physically connected at what is known as Van Allen's ranch with the exchange at Redmond upon such reparation by the members of the Crooked River Telephone Association as may be fair, reasonable and equitable in the premises, AND IT IS SO ORDERED.

In the matter of the application of the FARMERS' NATIONAL TELEPHONE COMPANY for authority to increase } U-F-293  
(or discontinue) rates.

ORDER ENTERED APRIL 5, 1920—P. S. C. ORDER NO. 585

The above entitled matter was set for hearing at Redmond, Deschutes County, Oregon, at 9 o'clock in the forenoon, April 3, 1920, and by consent of parties, place of hearing was changed to Tumalo, Deschutes County. As shown by the record the patrons were all notified by telephone of the change in the place of hearing so that no one suffered any injury therefrom.

**Appearances:**

Farmers' National Telephone Company—By A. J. Harter, Manager and Treasurer, and in addition James M. Griffin, President, and G. W. Bales and Adolph Olsen, members of the Board of Directors. There were several stockholders and patrons present.

At the time and place set for the said hearing at the irrigation company's building in the town of Tumalo, the testimony of a number of witnesses was taken, including that of A. J. Harter, the manager; Mr. Griffin, the president; and several of the stockholders, together with the central operator, Miss Vales.

**STATEMENT**

This telephone company as now operating was incorporated in 1912 and succeeded to the interests and the property of the Farmers' and Merchants' Telephone Company, which operated a telephone line in this neighborhood since 1907. It has a capital stock of \$2,500, \$1,250 of which is paid up, and there are 50 stockholders and 56 patrons or subscribers, so that practically speaking it is a mutual concern and only holds itself out as a public utility as an accommodation to those who are not stockholders.

As shown by the application on file herein the company is being operated at a loss and they have no money with which to repair the lines, or make any replacements or properly maintain them. As will be noted the expenditures of the company so far provided for are for the operator at central and the manager, making a total of \$60 a month. It is highly necessary and convenient to have this company operating, and it is inevitable, owing to the age of the line, that some needful repairs and deferred maintenance be reached this year. As manifested by the witnesses it is not the desire of the officers or stockholders to make a profit. The manager receives the sum of \$5 a month.

The witnesses all expressed their approval of a raise in rates necessary to meet the payroll and to provide a small fund for the improvement of the line. The matter was taken up and fully discussed at a meeting of the stockholders of the company and afterwards this action was ratified and approved by the directors at a regular meeting on the first of the year and the rates set out in paragraph 5 have been requested as necessary for revenue to meet the present expenses.

THEREFORE IT IS HEREBY ORDERED that the rates, charges and regulations in force in 1919 for the applicant herein are hereby declared to be unreasonable, unjust and unjustly discriminatory. The rates, charges and regulations hereinafter set out are found to be just, reasonable and not unjustly discriminatory, to wit:

Business telephone, per month .....	\$2.50
Residence telephone, per month .....	1.50
Total charge for nonsubscriber .....	.25 per call

And that the applicant, the Farmers' National Telephone Company be, and is hereby, authorized to discontinue the rates and charges herein declared to be unreasonable and to charge and impose in lieu thereof, effective from date of this order, the rates and charges hereinabove mentioned and set out, and that the said applicant shall file, according to the provisions of law and the rules of this Commission, a tariff under proper designation, setting forth the rates and charges herein authorized.

IT IS HEREBY FURTHER ORDERED that the telephone rent shall be paid three months in advance and due on or before the tenth day of the first month of each of said quarters, and should the said subscriber be in arrears for longer than thirty days thereafter, then and in that event his telephone may be disconnected after proper notice has been given from the main line until such time as such bill shall be paid, AND IT IS SO ORDERED.

In the matter of the application of UNION COUNTY TELEPHONE COMPANY for an order permitting and authorizing the Union County Telephone Company, a corporation organized under the laws of the State of Oregon, to increase the rate of its phones to subscribers, and to make connection and exchanges with the Pacific Telephone & Telegraph Company's lines at La Grande, Union County, Oregon, and with the Home Independent Telephone Company at La Grande and Union, Oregon. } U-F-257

ORDER ENTERED APRIL 23, 1920—P. S. C. ORDER NO. 536

This proceeding is before the Commission upon the application of the Union County Telephone Company for authority to increase its rates for telephone exchange service, and for an order requiring a physical connection with the lines of the Pacific Telephone & Telegraph Company at La Grande, and with the lines of the Home Independent Telephone Company at La Grande and Union, in Union County, Oregon.

**Appearances:**

Colon R. Eberhard of Cochran & Eberhard, for Home Independent Telephone Company.

Jno. S. Hodgins, for Union County Telephone Company.

J. D. Slater, for City of La Grande; and

Lewis Z. Terrall, for City of Union.

Hearing has been had hereon, testimony and proofs offered and received and the matter fully submitted upon the record.

\* \* \* \* \*

The properties of the said Union County Telephone Company consist of exchanges situated at Elgin, Summerville, La Grande, Union, Cove and North Powder, together with various subscriber lines connected therewith and with interexchange circuits connecting the various exchanges. The rates applicable on the lines of said company in its various exchanges are as follows:

Telephones for family use, \$1.50 per month.

Telephones for office use, \$2.25, if party line; or

Telephones for office use, \$2.75, if it is private line.

No toll charges whatever are made for interexchange of messages between the subscribers of the various exchanges.

The application filed requests authority to increase each of the above rates by adding thereto the amount of 50 cents per month. An order is also asked requiring a physical connection and exchange of messages with the lines of the Pacific Telephone & Telegraph Company at La Grande and with the lines of the Home Independent Telephone Company at La Grande and Union.

Answer and cross complaint was filed by the Home Independent Telephone Company resisting the application and asking for the elimination of the free interexchange service afforded by the applicant company between its various exchanges. Answer resisting the said application in so far as it pertained to a physical connection between its system and that of the applicant was also filed by the Pacific Telephone & Telegraph Company.

Subsequent to the filing of the original application negotiations were instituted whereby certain portions of the property of the Union County Telephone Company were to be purchased by the Home Independent Telephone Company and unnecessary duplication of telephone systems eliminated in certain portions of Union County occupied jointly by these two companies. This plan contemplated the purchase by the Home Independent Telephone Company of the properties of the applicant company at La Grande, Cove, Union and North Powder. The consummation of such a plan would eliminate any necessity for the physical connection prayed for in the application and as a consequence that issue was dropped and no testimony offered thereon. While this proposed transaction was never consummated, the sale made to Messrs. Ballard and Henning will virtually accomplish the same result as contemplated in the former negotiations with the Home Independent Telephone Company.

Under the present plan, Ballard and Henning propose to transfer to the Home Independent Telephone Company all of the properties of the Union County Telephone Company located at La Grande, Union and Cove, and to withdraw from business at those places, thus eliminating the present duplication of service in those exchanges. It is also proposed to transfer to the Pacific Telephone & Telegraph Company the North Powder exchange. This would leave only the Elgin exchange and the Summerville-Imbler exchange in the control of the applicant. Supplemental application filed herein requests permission to abandon and discontinue service at La Grande, Union, Cove and North Powder, and between such exchanges, effective May 1, 1920, in accordance with the plans above set forth.

#### Valuation

After a full consideration of all the figures presented we find that the normal reproduction cost new and the reproduction cost less accrued depreciation on November 1, 1919, are as follows:

	Reproduction Cost	
	New	Less Depreciation
La Grande .....	\$14,117.00	\$ 8,788.00
Union .....	16,357.00	10,628.00
Elgin .....	22,355.00	13,389.00
Cove .....	10,178.00	5,670.00
Summerville .....	12,484.00	7,387.00
North Powder .....	5,534.00	3,710.00
General equipment .....	1,924.00	1,230.00
Total physical property .....	\$82,949.00	\$50,802.00

These figures include no allowance for development cost, nor has there been included any allowance for working capital, either in the form of material and supplies or cash, reasonably necessary in the effective conduct of the business of the company.

In view of all the foregoing facts, and from a full consideration of the entire record herein, the Commission finds the fair value for rate making purposes of the entire property of the Union County Telephone Company used and useful in the service of the public was on November 1, 1919, the sum of \$57,260.

The following statement shows the operating revenues and expenses of the applicant for the years ending August 1, 1916, August 1, 1917, August 1, 1918, and August 1, 1919:

	1916	1917	1918	1919
Revenues .....	\$ 4,513.64	\$ 8,534.48	\$ 9,809.17	\$11,499.32
Expenses .....	6,760.78	6,358.40	10,506.50	13,714.29
Deficit .....	\$ 2,247.14	.....	\$ 697.33	\$ 2,214.97
Net revenue .....	.....	\$ 176.08	.....	.....

#### CONCLUSIONS

In view of the foregoing facts and findings, and of the entire record herein, the Commission makes the following conclusions:

That the present rates and charges of the applicant for exchange service are unjust, unreasonable and unjustly discriminatory, and that just, reasonable and not unjustly discriminatory rates and charges to be substituted in lieu of said present rates are as follows:

## EXCHANGE SERVICE RATE

	North Powder, Elgin, Union, Summerville and Imbler	La Grande
<b>Business Service:</b>		
Individual line .....	\$3.00	\$4.00
Two-party line .....	2.50	3.50
Ten-party line, suburban, central selective signaling.....	.....	3.25
Rural party line, line and equipment owned by company	2.00	2.50
Farmer line, equipment and line to city limits owned by subscribers .....	.75	1.00
<b>Extensions, within same premises:</b>		
Without bell, wall type .....	.75	.75
Without bell, desk type .....	1.00	1.00
With bell, wall type .....	.90	.90
With bell, desk type .....	1.15	1.15
<b>Residence Service:</b>		
Individual line .....	2.25	2.75
Two-party line .....	1.75	2.25
Four-party line .....	1.50	1.75
Ten-party, suburban, central selective signaling .....	.....	2.25
Rural party line, line and equipment owned by company	2.00	2.00
Farmer line, equipment and line to city limits owned by subscribers .....	.60	.60
<b>Extensions, within same premises:</b>		
Without bell, wall type .....	.50	.50
Without bell, desk type .....	.75	.75
With bell, wall type .....	.65	.65
With bell, desk type .....	.90	.90

Except where otherwise specified rates apply to wall type telephones only. If desk or portable type instruments are desired an additional charge of 25 cents per month will be added.

The rates above prescribed for the La Grande exchange are provisional only, and are contingent upon the consolidation of the applicant's properties in La Grande with those of the Home Independent Telephone Company, as hereinbefore outlined.

That the present practice of the applicant of affording free interexchange of service between its various exchanges is unjust, unreasonable and unjustly discriminatory and should be discontinued.

That just, reasonable and not unjustly discriminatory tolls and charges to be charged, imposed and collected by the applicant for interexchange of telephone messages between its various exchanges are as follows:

The first rate named under each station in the following table is based on an initial period of conversation of two minutes, and the second rate named is for each additional minute of conversation after the initial period.

BETWEEN	North Powder	Union	La Grande	Summerville and Imbler	Elgin
North Powder .....	.....	15-5	20-10	30-15	30-15
Union .....	15-5	.....	15-5	20-10	25-10
La Grande .....	20-10	15-5	.....	10-5	20-10
Summerville and Imbler	30-15	20-10	10-5	.....	10-5
Elgin .....	30-15	25-10	20-10	10-5	.....

Based upon the foregoing findings and conclusions, and upon the record herein, it is ORDERED that the applicant cease and desist from charging, imposing or collecting the exchange rates and charges hereinbefore found to be unjust, unreasonable and unjustly discriminatory, and from following the practices and regulations hereinbefore found to be unjust, unreasonable and unjustly discriminatory, and that said applicant substitute in lieu thereof the just, reasonable and not unjustly discriminatory rates, tolls, charges, practices and regulations hereinbefore set forth.

This order shall become effective May 1, 1920, and applicant shall file with this Commission prior to that date a schedule of rates and charges not inconsistent herewith.

In the matter of the application of the EASTERN OREGON LIGHT & POWER COMPANY to the Public Service Commission of Oregon to prescribe and establish rates for electric current used for power purposes which will be scientifically and equitably based and which will supersede the power rates now in effect and to cancel all contracts not conforming to such rates; to authorize certain rules and charges affecting power factor and temporary service; and to authorize the discontinuance of so-called prompt payment, discounts on bills for electric lighting.

U-F-252

ORDER ENTERED MAY 19, 1920—P. S. C. ORDER NO. 594

#### FINDINGS AND ORDER

##### *Appearances:*

John L. Rand, for applicant; McColloch & McColloch and W. H. Strayer, for City of Baker; J. D. Slater, for City of La Grande; W. C. Fellows, for Ben Harrison Mine; Raymond E. Boes, for Highland Mine; L. T. Roberts, for Powder River Gold Dredging Company; Leonard Adams, for Adams Brothers; W. E. Moore, for Imbler Box & Lumber Co.; Ed E. Kiddle, for Union Flouring Mill Co., La Grande Milling Co., Pioneer Flouring Mill Co., Grande Ronde Grain Co., Imbler Flouring Mill Co., and Elgin Flouring Mill Co.

The case having been fully heard upon the application, and upon the evidence and proof offered, and having been fully submitted, the following findings are now made by the Commission:

The applicant, Eastern Oregon Light & Power Company, is an Oregon corporation, engaged principally in the production, distribution and sale of electricity for light and power purposes in Baker, Grant and Union counties, and of gas for light, power and heating purposes in the City of Baker, and is a public utility within the meaning of Section 1 of Chapter 279 of the General Laws of Oregon for 1911.

By order No. 8 of this Commission, issued July 22, 1915, the value of the electric property of this utility actually used and useful in the service of the public, as a public utility, as of June 30, 1914, was found to be \$1,020,300. It was also found at that time that in addition to necessary stores and supplies included in the foregoing amount, the applicant would necessarily employ, in its electric operations, as working capital, either in cash or credit, the amount of \$20,000. Net additions and betterments to electric properties from June 30, 1914, to December 31, 1918, amount to approximately \$97,000.

By this same order certain electric rates for residence and commercial lighting were prescribed. The rates so fixed were subject to a prompt payment discount of 10 per cent if paid within ten days after the date of billing. The power rates of the company were not then an issue. Rates for power have been established by the utility from time to time to meet particular situations as they arose, upon a basis designed to encourage this class of service. As a consequence these various power schedules are not equitably arranged and inequalities and inequities exist.

The applicant herein now seeks permission to initiate a new schedule of power rates designed to remove these inequalities and discriminatory conditions and at the same time provide additional revenue. Authority is also asked to discontinue the prompt payment discount allowed on residence and commercial lighting bills.

In its petition the company advances the contention that since the former order of this Commission it has had to meet extraordinary and unusual increases in the cost of material and labor, that it has suffered losses by fire, floods and depreciation securities, and that it is now unable to earn a fair return upon the value of its utility property as found by the Commission. It is also alleged that additional plant development is necessary if it is to continue to properly serve the communities occupied by it, but that the financial condition of the company is such as to make it extremely difficult, if not impossible, under the present rates and conditions, for it to obtain the necessary capital with which to make such necessary development.

This Commission is quite familiar with the increased costs of labor and material which have existed during the past few years, and the resultant depressing effect upon the income of this and other companies. This will be considered in connection with the application here presented. Losses by fire and floods constitute extraordinary depreciation and may properly be considered as an item of expense when placed in suspense and distributed over a period of years. The entire amounts thereof may not, however, be treated as operating expenses properly chargeable to the particular year in which they occur. In our opinion the period over which such items may properly be distributed should not be less than five years. While depreciation of securities may, in proper instances, be given consideration in connection with the fixing of a fair return, this element does not carry much weight in cases where such depreciation may have resulted largely or wholly from overbonding.

Concerning the applicant's plea of financial difficulty, we must say that in our opinion the poor credit of a utility, per se, can not logically be advanced as an argument for increased rates. While this feature may properly be given serious consideration when shown to have resulted from unreasonably low rates, yet it is entitled to little weight when traceable to the financial policy of the utility.

The record plainly shows that the present condition of the applicant's credit is due in a great measure to its large bonded indebtedness, and its attempt to reduce this debt and thus stabilize its financial condition out of net income. Clearly the remedy for this situation lies with the stock and bond holders and can not justly be charged to the rate payer.

#### *Revenues and Expenses*

The revenues, expenses and resulting operating income of the applicant, with the method of its derivation, for each year since June 30, 1914, are shown by the following table:

COMPARATIVE INCOME STATEMENT

	Annual June 30, 1915	Annual June 30, 1916	Six Months Dec. 31, 1916	Annual Dec 31, 1917	Annual Dec. 31, 1918
Operating revenue	\$190,683.47	\$191,443.19	\$107,771.58	\$215,313.94	\$207,220.59
Operating exp. ....	58,357.46	78,487.23	44,891.92	100,269.83	100,182.35
Net oper. rev.....	\$132,326.01	\$112,955.96	\$ 62,879.66	\$115,044.11	\$107,038.24
Taxes .....	7,757.34	8,902.34	4,474.62	10,835.26	13,618.96
Uncollectible operating rev. ....	.....	3,222.14	1,131.46	2,229.96	2,233.64
Operating inc...	\$124,568.67	\$100,831.48	\$ 57,273.58	\$101,978.89	\$ 91,185.64

Partial records for the year 1919 indicate that the revenues would increase about 12 per cent over those of 1918, with a corresponding increase in operating expenses of 18 per cent. A considerable amount of maintenance work has been deferred, which, had it been done, would have increased this latter percentage.

It will be noted in this statement that although the operating revenues have been increasing, operating expenses and taxes have been increasing more rapidly, with the result that the operating income has been diminishing. The opposite



result should be the normal condition to be expected, as there has been no marked increase in fixed capital costs for increased power plant capacity in the meantime.

Based upon the foregoing income statement and the present valuation, if conditions were the same the Commission might be inclined to dismiss the application of the utility, or to permit very little net increase in the proposed readjustment of power revenue from the rates. However, since 1915, the increasing revenue from increasing demand should have been accompanied by an increase in power plant investment. Had this increased plant been heretofore provided, as must be done in the very immediate future, the depreciation and return on this increased plant capacity would have caused the effect of the increased operating expenses to be more marked. The showing of this utility would, in consequence, be much less favorable than is indicated by the foregoing income statement. With a normal plant development, the increased operating expenses, especially if proper maintenance be provided, justifies an increase in revenue, which must largely result from an increase in rates, although a part will be contributed by an increase in the volume of business.

\* \* \* \* \*

#### *Necessity for Additional Power*

The record herein is replete with testimony to the effect that power use among the patrons of the applicant has been greatly curtailed and in many instances entirely discontinued because of the inability of the utility to supply the demand. This has resulted in a great hardship to numerous industries, particularly the mining industry. It is imperative that sufficient additional power be supplied to care for the needs of the community, and the Commission urges that no time be lost in supplying this deficiency.

#### *Baker Franchise Tax*

While not directly involved in the application in this case, it has been brought to our attention that since the issuance of the former order of this Commission fixing rates for residence and commercial lighting for the cities of Baker and La Grande, and the various other communities served, the City of Baker has imposed upon the utility a franchise tax whereby there is paid to such city 3 per cent of the gross revenue of the company from its operations within the city of Baker. This naturally has the effect of making the operating expenses in Baker higher than those in La Grande, or any of the other districts served. Such a tax was not contemplated by the Commission when the present lighting rates were fixed, and the effect thereof is to throw an unjust burden upon all other communities served by the company.

In order to remove this discrimination which now exists, it is necessary either that this franchise tax be removed, or that the Baker rates be increased sufficiently to compensate the company for the extra cost.

### CONCLUSIONS

From the record it is found that the following rates and charges for electric current used for commercial and irrigation power purposes are just and reasonable, are not unjustly discriminatory or unduly preferential, and should be substituted, charged, imposed and collected by the applicant, Eastern Oregon Light & Power Company, in lieu of the corresponding commercial and irrigation power rates now in force and effect.

### INDUSTRIAL POWER SCHEDULE

#### *Meter Rate*

#### *Character of Service*

For various forms of power other than for irrigation purposes; also battery charging, electroplating, moving picture machines, etc., based on twelve months' service per year.

#### *Rate*

The following primary (or demand) schedule applies only to the first 50 hours use per horsepower, or 60 hours use per kilowatt, per month of the demand as hereinafter defined.

The secondary schedule next following applies to all consumption in excess of that specified for the primary schedule.

*Primary Schedule*

First 100 K. W. H. per month, 8c per K. W. H.  
 Next 300 K. W. H. per month, 6c per K. W. H.  
 Next 600 K. W. H. per month, 4c per K. W. H.  
 Next 1,000 K. W. H. per month, 3c per K. W. H.  
 Excess over 2,000 K. W. H. per month, 2½c per K. W. H.

*Secondary Schedule*

First 1,000 K. W. H. per month, 2c per K. W. H.  
 Next 3,000 K. W. H. per month, 1.5c per K. W. H.  
 Next 6,000 K. W. H. per month, 1.2c per K. W. H.  
 Excess over 10,000 K. W. H. per month, per K. W. H., 1c.

*Demand*

Demand is defined as being the greatest average rate to which energy is used within a period of five consecutive minutes and will be assessed or measured as hereinafter indicated.

*Assessed demand*, expressed in horsepower, will ordinarily apply to installations of less than 25 horsepower and will be determined as follows:

The combined rated capacity of all motors (except elevator motors and others of similar character) will be taken and the following percentages thereof considered as the assessed demand:

	Installation of		
	1 Motor	2 to 5 Motors	Over 5 Motors
First 5 horsepower of total rated capacity.....	95 per cent	90 per cent	85 per cent
Next 10 horsepower of total rated capacity.....	75 per cent	70 per cent	65 per cent
Excess over 15 h. p. total rated capacity.....	65 per cent	60 per cent	55 per cent
In no case, however, shall the <i>average</i> percentage be less than .....	75 per cent	70 per cent	65 per cent

Any motor or motors having a rated capacity less than 10 per cent of that of the total installation shall not be considered as increasing the number of motors as applied under the above classification. Two or more motors having an aggregate rated capacity of 10 per cent of the installation shall be considered as one motor.

*Measured demand*, expressed in kilowatts, will apply to installations in excess of 25 horsepower, or to any exceptional or unusual use of energy. This demand will be measured by the following methods:

- (a) Count of disk revolutions of consumer's meter.
- (b) Eighty per cent of volt ampere reading.
- (c) Installation of special demand meters.
- (d) Elevator motors, hoists, welders and other highly fluctuating loads or load which do not exist constantly for periods of at least five minutes will have the demand assessed at 70 per cent of the greatest load existing while in operation. Method (c) is preferable and will be applied to all installations in excess of 100 horsepower. Methods (a), (b) and (d) will be based upon the average of at least three tests, not more than one of which shall be made in any one hour, and not more than two in any one day.

No more than one demand test in any six months shall be made at the consumer's request where there has been no change in installation, except such test be at the consumer's expense.

*Minimum Demand*

No demand shall be considered for less than one horsepower.

*Notification*

The consumer shall be required to give written notification to the power company of any change in installation so that the corresponding change in demand may be determined, and proper rate therefor charged.

**Minimum Charge**

Based on demand as determined above:

First 2 horsepower, per horsepower, \$1.50.

Next 8 horsepower, per horsepower, \$1.25.

Excess over 10 horsepower, per horsepower, \$1.

**Equivalent**

For determining equivalent horsepower for measured demand and for all other purposes one kilowatt (input) shall be considered as equal to 1.2 horsepower (output).

**IRRIGATION POWER SCHEDULE****Meter Rate****Character of Service**

This rate applies to power used for irrigation purposes only and is restricted to the irrigation period of each year.

**Rate**

The following primary (or demand) schedule applies only to the first 50 hours use per horsepower, or 60 hours use per kilowatt, per month of the demand as hereinafter defined.

The secondary schedule next following applies to all consumption in excess of that specified for the primary schedule.

**Primary Schedule**

First 100 K. W. H. per month, 6 c per K. W. H.

Next 300 K. W. H. per month, 4 c per K. W. H.

Next 600 K. W. H. per month, 3 c per K. W. H.

Next 1,000 K. W. H. per month, 2.5c per K. W. H.

Excess over 2,000 K. W. H. per month, 2c per K. W. H.

**Secondary Schedule**

First 1,000 K. W. H. per month, 1.5c per K. W. H.

Next 3,000 K. W. H. per month, 1.2c per K. W. H.

Next 6,000 K. W. H. per month, 1.0c per K. W. H.

Excess over 10,000 K. W. H. per month, 8c per K. W. H.

**Demand**

Provisions for demand same as for commercial power schedule.

**Minimum Charge**

Minimum charge for irrigation season:

First 25 horsepower per season, \$12 per horsepower.

Excess over 25 horsepower per season, \$10 per horsepower.

That the following rules are approved:

**Power Factor**

Should the average power factor during any period of five consecutive minutes of consumer's heavy load fall below 70 per cent the demand shall, for billing purposes, be subject to an increase in the ratio of seventy (70) per cent to the actual power factor as determined.

**Temporary Service Rate**

Temporary service and for service over a period shorter than the contract period of one year.

**Service Rules**

Service Rule 1. Change of Address and Temporary Disconnection:

Should a consumer who has been connected at one address for less than twelve (12) consecutive months desire to have his service temporarily disconnected, he will be required to pay the costs of such disconnection and reconnection, provided that these costs shall not be less than 50c for disconnection and 50c for reconnection, and in addition shall pay, in the case of temporary disconnection, a reduced monthly minimum charge consistent with the company's investment still reserved for the general use of the consumer.

No temporary disconnection will be made for a period of less than thirty days.

**Service Rule 2. Service Discontinued Before Expiration of Contract.**

When it is necessary to discontinue service before expiration of contract, either upon consumer's request or by action of company on account of non-payment of bills, the consumer at once becomes subject to the temporary service rates and the extra charges therein.

That applicant should be authorized and permitted to reduce its prompt payment discount from 10 per cent to 5 per cent.

That the application herein should in all other respects be denied.

That the present rates and charges of the said Eastern Oregon Light & Power Company for electric current used for all industrial and irrigation power purposes, Schedules G, H, I, J and K, and all special contracts, in so far as they differ from or are in conflict with those hereinbefore set forth, are unjust, unreasonable, unjustly discriminatory and unduly preferential.

**ORDER**

From a full consideration of the foregoing findings, and of the entire record herein, it is

ORDERED, that for electric current for industrial and irrigation power purposes, supplied after the meter reading date, May, 1920 (approximately May 20), the applicant Eastern Oregon Light & Power Company shall charge, impose and collect, in lieu of the rates and charges hereinbefore found to be unjust, unreasonable, unjustly discriminatory and unduly preferential, the just, reasonable, not unjustly discriminatory and not unduly preferential rates and charges above set out.

IT IS FURTHER ORDERED that the applicant herein be, and hereby is, authorized and permitted to reduce its discount allowed for the prompt payment of bills from 10 per cent to 5 per cent.

IT IS FURTHER ORDERED that the power factor provision, temporary service rate reduction of minimum charge, and service rules 1 and 2 proposed in the application and by reference made a part hereof be, and they hereby are, approved and permitted to be placed in effect as hereinbefore modified. Applicant shall file with this Commission, on or before June 20, 1920, a tariff or a supplement to its present tariff, embodying the rates, charges, rules and regulations herein prescribed, and, at its option, the power factor provision, temporary service rate, reduction of minimum charge, and service rules herein approved.

IT IS FURTHER ORDERED that the application herein be, and it hereby is, dismissed as to all other matters and things therein contained.

In the matter of the application of the HOME INDEPENDENT TELEPHONE COMPANY of La Grande, Oregon, a } U-F-222  
 corporation, to revise its present schedule of rates.

ORDER ENTERED MAY 28, 1920—P. S. C. ORDER NO. 598

**ORDER**

This Commission having by its Order No. 488 in the above entitled and numbered matter provided a rate for business service extensions, either wall or desk type instruments, with or without bell, of \$1 for the La Grande, Island City, Enterprise, Union, Wallowa, Lostine and Joseph exchanges of the Home Independent Telephone Company of La Grande; and

The Commission having reconsidered the record in said case and being now of the opinion that said rates for business extension service should be so modified as to differentiate between wall and desk type extensions and between extensions with and without bell;

IT IS ORDERED that Order No. 488 of this Commission in the above entitled matter be, and it hereby is, amended so as to provide for the following rates and charges for business extension service in the various exchanges above named:

**Business Service**

Extensions, within same premises, without bell:

Wall type .....\$0.75 per month

Desk type .....1.00 per month

Extensions, within same premises, with bell:

Wall type .....\$0.90 per month

Desk type .....1.15 per month

This order shall become effective June 1, 1920.

In the matter of the application of the AMITY LIGHT & } U-F-267  
POWER COMPANY to increase rates.

ORDER ENTERED JUNE 1, 1920—P. S. C. ORDER NO. 599

#### FINDINGS AND ORDER

This is an application brought by the Amity Light & Power Company, requesting authority to increase rates for electric service in the Town of Amity and vicinity. Hearing was held at Amity on the second day of October, 1919, pursuant to due notice to interested parties. At such hearing J. A. Ruble appeared for the applicant and W. B. Duerst, N. P. Anderson and D. M. Kirby appeared on behalf of certain consumers. The case is now fully submitted.

Applicant avers that its present revenues are inadequate to meet current expenses, without taking into consideration any return on its investment, and in support of its application has presented a petition signed by a large number of its patrons, consenting, without protest, to any necessary advance in rates.

From a consideration of the record herein the Commission makes the following findings:

The applicant, Amity Light & Power Company, is a public utility, engaged in the ownership, operation and control of certain electrical transmission and distribution lines used for the furnishing of electricity for power, lighting and other purposes, in the Town of Amity and the surrounding community. This company has no generating equipment but purchases its electric energy from a generating company at Sheridan and transmits it to Amity, a distance of twelve miles, at 11,000 volts. In addition to the town of Amity, this utility serves various communities along its line from Sheridan to Amity. It also operates a branch line to Ballston, and furnishes electricity to a privately owned branch line extending northward from Bellevue. Patrons of this latter line were the only ones making an appearance in this case on behalf of the consumers.

Both light and power service is provided throughout this entire system for the full twenty-four hours per day. Because of the lightly settled communities and small total load on the system, the line and transformer losses are extremely heavy, ranging from 55 per cent to 60 per cent of the total power purchased, or about 40 per cent greater than the energy actually consumed. This loss, all of which is paid for by the applicant, is more than twice the loss experienced in the average electric system, and is a vital factor in this utility's operations. This situation has been the subject of particular investigation by the Commission, and an endeavor has been made to formulate some plan whereby these heavy losses might be minimized. This investigation has necessitated some delay in the final adjudication of the case.

The applicant herein is an Oregon corporation and is capitalized at \$20,000, all of which is outstanding. It has outstanding at the present time notes to the amount of over \$6,700, on which interest at the rate of 8 per cent per year is paid.

The company has incurred a deficit each year for a considerable period, and the total deficit is now shown to be over \$6,000.

Valuation proceedings have been conducted with and as a part of this case, and as a result of the Commission's investigations and from a consideration of the record herein, the Commission now finds that the reproduction cost new of the physical properties of this utility, used and useful in the public service, based on weighted average prices extending over the period of its construction and operation, prior to the existence of abnormal war conditions, was the sum of \$18,898, and the reproduction cost new less depreciation the sum of \$12,899. Adding the necessary cash working capital, material and supplies, and appropriate development expense, we find the value of the property of this utility devoted to and useful in the public service on December 31, 1919, for rate making purposes only, was the sum of \$20,260. The value here found is such a value as may properly be used in connection with an allowance for depreciation on the sinking fund basis. The Commission further finds the sum necessarily required to be set aside for depreciation on that basis is the amount of \$735 per annum.

#### CONCLUSIONS

From a consideration of the foregoing findings and of the entire record herein the Commission finds that the present general light and power rates of this utility are unjust, unreasonable and inadequate, based on the furnishing of service for twenty-four hours per day, and that just, reasonable and adequate maximum rates to be substituted in lieu thereof are as follows:

## METER RATES

*Lighting, Residential*

Per Month

First 6 kilowatt hours or less .....	\$1.25
Next 14 kilowatt hours per month, per k. w. h. ....	.12
Excess over 20 kilowatt hours per month, per k. w. h. ....	.08

*Lighting, Commercial*

First 6 kilowatt hours or less per month .....	\$1.25
Next 14 kilowatt hours per month, per k. w. h. ....	.15
Next 30 kilowatt hours, per month, per k. w. h. ....	.10
Excess over 50 kilowatt hours per month, per k. w. h. ....	.08

To include fans and other single phase motor driven apparatus under one horsepower connected to the lighting circuit.

*Power*

The following primary (or demand) rate applies only to the first 50 kilowatt hours use per horsepower per month of the demand as hereinafter defined.

The secondary schedule next following applies to all consumption in excess of that specified for the primary schedule.

*Primary Rate*

Per Month

First 50 k. w. h. per month, per k. w. h. ....	\$0.10
Next 150 k. w. h. per month, per k. w. h. ....	.07
Over 200 k. w. h. per month, per k. w. h. ....	.06

*Secondary Rate*

First 200 k. w. h. per month, per k. w. h. ....	.05
Over 200 k. w. h. per month, per k. w. h. ....	.04

*Minimum Charge*

First 3 h. p. of demand, per h. p. ....	1.50
Next 7 h. p. of demand, per h. p. ....	1.25
Excess over 10 h. p. of demand, per h. p. ....	1.00

*Demand*

Demand is defined as being the greatest average rate to which energy is used within a period of five consecutive minutes, and will be assessed on the following basis:

The combined rated capacity of all motors will be taken and the following percentages thereof considered as the assessed demand:

	Installation of		
	1 Motor	2 to 5 Motors	Over 5 Motors
First 5 h. p. of total rated capacity.....	95 per cent	90 per cent	85 per cent
Next 10 h. p. of total rated capacity.....	75 per cent	70 per cent	65 per cent
Excess over 15 h. p. total rated capacity.....	65 per cent	60 per cent	55 per cent
In no case, however, shall the average percentage be less than .....	75 per cent	70 per cent	65 per cent

*Combined Light and Power Service, Rural Lines*

For electric service provided by connection to rural 10,000 volt lines, customers shall make, own and maintain, under the company's supervision, all extensions, connections and equipment, except meters for service from such lines.

Per month

First 6 k. w. h. or less per month, per k. w. h. ....	\$1.25
Next 14 k. w. h. per month, per k. w. h. ....	.12
Next 30 k. w. h. per month, per k. w. h. ....	.08
Next 150 k. w. h. per month, per k. w. h. ....	.07
Excess over 200 k. w. h. per month, per k. w. h. ....	.06

*Minimum Monthly Charge*

For lighting service .....	1.25
For power service per horsepower .....	1.00

In addition to the above rates, for each individual transformer connection to supply a single customer, there shall be a charge of 30c for each kilowatt of connected capacity.

For seasonal power consumption in order to avoid a standby charge during periods of nonuse of over one month's duration, the power lead and transformer should be disconnected from the line by the utility upon application of the consumer and a reconnection charge made when reconnected, whether by switch or otherwise; the amount of such reconnection charge to be \$1 plus material expense necessary to make the reconnection.

In all cases where the application of meter rates will result in a charge not in excess of the minimum, the installation of a meter may be avoided and the consumer billed at the minimum charge.

Inasmuch as the rates herein fixed have been necessitated largely by line and transformer losses, the Commission strongly recommends that this utility investigate the feasibility of limiting the day service to about two days per week, and the night service from about dusk until midnight, in order to minimize as much as possible the present heavy losses and permit a reduction of light and power rates.

#### ORDER

Based upon the foregoing findings and conclusions, IT IS ORDERED that from and after the effective date hereof the applicant herein shall cease and desist from charging, imposing or collecting the rates and charges hereinbefore found to be unjust, unreasonable and insufficient, and shall substitute in lieu thereof rates and charges not inconsistent with the maximum rates and charges hereinbefore found to be just and reasonable.

This order shall become effective June 1, 1920, and on or before June 15 the applicant shall publish and file in the manner prescribed by law and the rules of this Commission a tariff that shall conform to the spirit and intent of this order.

In the matter of the application of FLORENCE ELECTRIC } U-F-295  
COMPANY for authority to increase rates. }

ORDER ENTERED JUNE 7, 1920—P. S. C. ORDER NO. 601

The above entitled and numbered matter came on regularly for hearing and investigation before the Public Service Commission of the State of Oregon at the City Hall in the City of Florence, Douglas County, Oregon, on the twelfth day of April, 1920, at the hour of 11:30 a. m., pursuant to written notice served upon the utility and upon the City of Florence, before Fred A. Williams, Commissioner.

#### Appearances:

Florence Electric Company, by G. G. Bushman, its President.

City of Florence, a municipality, by W. H. Weatherson, Mayor; Marion Morris, Councilman; and Isabel Sivery, City Recorder.

#### STATEMENT

The Florence Electric Company is a corporation organized and existing under the laws of the State of Oregon, operating an electric plant in the City of Florence only, and furnishing electric energy mainly for lighting purposes.

The original plant was burned down on September 3, 1919, and the present plant was rebuilt and service resumed about the first of March, 1920.

From the files it appears that the City of Florence, through Fred E. Smith, its City Attorney, filed an answer in opposition to the rates, but, from the statement of the Mayor and one of the Councilmen at the hearing, the city and its patrons, generally speaking, did not make an objection to any reasonable rates.

Mr. Bushman claims to have had an investment in the original plant of \$17,000, and received about \$7,000 back in insurance, and has, together with local capital from the City of Florence, an investment in the present property upwards of \$10,000 in the plant and distributing system.

The power for the generator is furnished by a Diesel engine and the plant operates from about sundown to midnight daily, and on Wednesday, ironing day, with occasional periods of operation other days as may meet the convenience of the operator.

Owing to the fact that a large sawmill which is located in Florence is not now running and there are only three industries requiring power, Mr. Bushman stated that it was not his desire to have any return on the investment, but just sufficient revenue to pay operating expenses, taxes, insurances, and cover depreciation. Such being the case, there will be but one thing to determine, and that is the rates so that they will cover such items, including some few adjustments.

### FINDINGS

1. That the Florence Electric Company is a utility within the purview of Chapter 279 of the Laws of 1911, owning and operating an electric plant at Florence, Douglas County, Oregon.

3. That the operating revenues for the month of March, 1920, amounted to \$175.76, which is probably an average typical month.

4. That the out-of-pocket operating expenses, as shown by "Exhibit 2," which includes operator's wages at \$100 per month; manager's wages, \$25 per month; fuel, \$45; oil, \$15; taxes, \$10; insurance, \$10, amount to \$205. Added to this there should be an allowance for depreciation of \$50, and return on estimated investment, \$50, which would make a total operating loss, based on these figures, of \$129.24.

6. That, as admitted by the applicant, no rates could fairly be initiated that would be remunerative in any sense.

8. Reasonable rates to be established, and, under present conditions, to meet the operating and other expenses, would be as follows:

<i>Lighting, Meter Rates</i>	<i>Per Month</i>
First 6 k. w. h. or less, .....	\$1.25
Next 14 k. w. h. or less, per k. w. h. ....	.15
Excess over 20 k. w. h., per k. w. h. ....	.10

<i>Lighting, Flat Rate</i>	
One outlet not to exceed 60 watts .....	1.00
Two outlets not to exceed 100 watts .....	1.25
Three outlets not to exceed 140 watts .....	1.65
Four outlets not to exceed 180 watts .....	2.00
Wattage in excess of above limits at 1½¢ per watt.	

<i>Power</i>	
First 15 k. w. h. or less .....	\$2.00
Excess over 15 k. w. h., per k. w. h. ....	.10

<i>Power, Minimum Charge</i>	
First h. p. ....	2.00
Excess over 1 h. p., per h. p. ....	1.50

9. That all rates in conflict with the rates hereinbefore established as just, reasonable and nondiscriminatory shall be discontinued, and the rates herein established shall, upon filing with the Commission tariff covering same, be the equitable, just and legal rates, not discriminatory and not unreasonable.

Based upon the findings hereinbefore set out and from the record herein,

IT IS HEREBY ORDERED AND ADJUDGED that the rates set out in the findings heretofore in this case shall be the legal rates from and after the date of this order, and all accounts for lighting shall be due and payable on or before the tenth day of each and every month, and for nonpayment of account the company may disconnect on the fifteenth of each month, and 50 cents is adjudged to be a reasonable sum for the reconnection of service.

The applicant shall, immediately upon the receipt of this order and within five days from receipt of same, prepare and file schedule with this Commission at its office in Salem, Oregon, and forward a copy to the Mayor of the City of Florence in accordance with the provisions herein, AND IT IS SO ORDERED.



In the matter of the application of the IDAHO POWER COMPANY for approval of its proposed irrigation contract for the 1920 irrigation season. } U-F-286

ORDER ENTERED JUNE 1, 1920—P. S. C. ORDER NO. 602

#### ORDER

On March 15, 1920, the Idaho Power Company, a corporation of the State of Maine, engaged in the business of generating, transmitting, distributing, supplying and selling electrical energy for lighting, heating, power and other purposes in Southern Idaho, Northern Nevada and in the counties of Malheur and Baker in Eastern Oregon, filed application with this Commission requesting authority to increase rates.

Like application was filed with the Public Utilities Commission of Idaho, and joint hearings were held before the Oregon and Idaho Commissions. At these hearings it was developed that the return of the company from its operations during the past year has been so low that it can not hope to obtain the additional capital which is now required in order to serve the prospective customers requiring electric energy. The power company has shown that, since its present rate schedules were placed in effect, there has been a substantial increase in the demand for service, and that it no longer has excess capacity, but that the continuation of the growth makes it necessary that additional plant and line capacity be constructed if prospective customers now demanding energy are to be served. Under the present financial conditions, money with which to build increased capacity can not be obtained unless the anticipated revenue is large enough to assure the payment of operating cost and interest upon the money required. The revenues of this company for the past year have been so low that further money can not be obtained with which to construct necessary additions, and as a consequence, the business and interests of the people in the community served by it, and of the utility itself, will be injuriously affected unless prompt relief is afforded.

It appears that relief can not well be delayed until this Commission has had time to complete a valuation of the applicant's properties and to fix a complete schedule of electric rates. The interests and welfare of the community affected demand immediate action.

It also appears that the Public Utilities Commission of Idaho has permitted and authorized the application of certain percentage increases in the form of a surcharge upon bills for energy furnished by the applicant within the State of Idaho, such rates to be made effective June 1, 1920, upon all service except power for irrigation pumping, and to apply to power for irrigation pumping for the entire season of 1920, and we believe that the welfare of the public demands that like rates be established as emergency rates in this State, pending the completion of a valuation and the entering of a final rate order.

Now, therefore, in view of the conditions and circumstances above described, the Commission is of the opinion, and finds that it is necessary, to prevent injury to the business and interests of the people and of the Idaho Power Company, that an emergency be declared to exist and an order entered temporarily altering and amending the existing rates and schedules of the Idaho Power Company relating to service furnished within the State of Oregon, by adding to said present rates and schedules, in the form of a surcharge upon the undiscounted bill, the percentage increases hereinafter set forth (present terms of discount to apply to bill and surcharge), such rates to become effective June 1, 1920, on all service except for power for irrigation pumping, and to apply to all power for irrigation pumping for the entire season of 1920, and that such rates as so altered and amended remain in effect for a period of not to exceed one year.

1. Commercial lighting, 10 per cent.
2. Street lighting, 10 per cent.
3. Commercial power, except cooking and domestic water heating, 10 per cent.
4. Sales to other public utilities except street railways and interurban railways, 10 per cent.
5. Air heating service, 10 per cent.
6. Irrigation pumping service, Class "A" customers, to the extent of their 1919 demand, 10 per cent.  
New demand, 20 per cent.
7. Irrigation pumping service, Class "B" customers, to the extent of their 1919 demand, 10 per cent.  
New demand, 20 per cent.

8. Irrigation pumping service, Class "C" customers, to the extent of their 1919 demand, 10 per cent.

New demand, 25 per cent.

IT IS, THEREFORE, ORDERED that an emergency be, and it hereby is, declared to exist, and the present rates and charges of the Idaho Power Company in Oregon temporarily altered and amended so as to provide for the respective percentage increases, in the form of surcharges, as hereinbefore set out, such rates as so altered and amended to remain in effect for a period of not to exceed one year.

In the matter of the application of the PORTLAND RAILWAY, LIGHT AND POWER COMPANY for increase in fares on street railway lines in the City of Portland. } U-F-268

ORDER ENTERED JUNE 10, 1920—P. S. C. ORDER NO. 604

Application brought by the Portland Railway, Light & Power Company for authority to increase fares on its street railway lines in the City of Portland.

On August 15, 1919, application was filed with this Commission by the Portland Railway, Light & Power Company requesting authority to increase fares on its street railway lines in the City of Portland. After an exhaustive investigation covering a period of months, participated in by the Council of Portland and their experts, representatives of civic bodies and individuals, an order was entered continuing the said application of the petitioner until action should be taken upon certain recommendations of the Commission that there be submitted to the voters of the City of Portland certain remedial measures for the relief of the car rider and the company.

Pursuant to the Commission's recommendations, the Portland City Council submitted to the voters of the City of Portland at a special election held on May 21, 1920, three measures designed to relieve the applicant and its patrons of certain obligations and charges imposed by franchises and the charter of the City of Portland. At such special election all such remedial measures failed to be adopted. The recommendation in the majority opinion of the Commission that the City of Portland purchase and maintain the tracks of the applicant laid in the streets of Portland did not receive the approval of the City Council, and, as a consequence, was not submitted to the voters.

Supplemental application was filed by the utility on May 26, 1920, calling the Commission's attention to the action taken by the voters of the City of Portland, and to other conditions arising subsequent to the issuance of the Commission's opinion, and requesting that relief be afforded in accordance with the original application and upon the record heretofore made and submitted.

The Commission, however, deeming it advisable to take additional testimony and bring its record down to date, again set the matter for hearing at Portland on the first day of June, 1920, at which time and place all interested parties were afforded an opportunity to be heard. The applicant appeared by R. A. Leiter, its attorney, and the City of Portland by John Mann, Commissioner, and Stanley Myers, Deputy City Attorney.

This Commission, in its recent majority opinion, P. S. C. Ore. Order No. 581, wherein an increase in street car fares was denied, said, "That this is neither the solution nor the proper remedy to be applied when it can be avoided."

It was then, and still is, our belief that an equitable proportion of the necessary expense of providing an efficient street car service could and should be paid by the general taxpayer, and that this expense should not be borne in its entirety by the car rider.

The proper maintenance of an efficient transportation system, while a convenience to some, is a vital necessity to the successful conduct of business throughout the city. Therefore, the majority opinion suggested for this and other reasons that a reduction in the cost of operation should be made by the city itself where practicable.

The adoption of our suggestions would have resulted in lessening the value of the railway system by several million dollars, and at the same time permitted, through reductions in operating expense and a reduced valuation, a saving to the car rider of some several hundred thousand dollars.

This suggestion was rejected by the City Council of Portland, upon the grounds, as we are advised, that the city was without power, under the constitution, to make effective the recommendation. As a consequence, the voters were not afforded an opportunity to pass upon the question, and the Commission's plan to hold fares at a minimum remains untried.

The Commission has repeatedly pointed out the fallacy of the city imposing upon the company certain public charges, namely:

- Bridge rentals,
- Franchise taxes,
- Car licenses,
- Free transportation, city employees, and
- Paving charges,

and again in the recent opinion (Order No. 581) suggested that the city relieve the company, and, through them, the car rider, of their obligation to meet this expense.

After considerable discussion, which may or may not have influenced the result, our suggestions as to the removal of the so-called unjust charges were, in effect, submitted to the voters, at a special election held May 21, 1920, and failed of passage.

This Commission certainly has no desire to question the action of the Council or of the voters of Portland, but we believe that further study of the recommendations heretofore offered, would produce beneficial results, and such saving as is accomplished in the cost of operation will promptly reflect a proportionate reduction in the rate of fare.

Increased labor and material costs are familiar to all, and a superficial examination of the company's books by any one discloses the effect on revenues, while the most minute investigation and analysis serves but to emphasize the need of promptly providing the necessary funds to permit a continuation of service.

There remains an impression among some that the light and power department of this utility is sufficiently remunerative to absorb the loss on street railway operations and yet permit a profit to the company on the property as a whole. Primarily this is fallacious reasoning, both in theory and in fact. The principle of permitting one branch of a utility's operations to support another, and totally different service, is wrong. The courts would not countenance a procedure of this nature, and have so held. Finally, the facts before us show conclusively and beyond question that the light and power division of this utility is not financially able to be of assistance to the street railway.

This Commission in previous opinions expressed the thought that some improvement in service, and probably reductions in expense, might be obtained through slight rearrangement of track and car routing, but due to inability to obtain franchises and other reasons such suggestions have not been carried out. At this time we wish to reiterate our previous opinion, and emphasize the desirability of the company and the city authorities carefully studying such plans, both as regards trackage and traffic, as will facilitate the movement of cars and make possible more efficient and economical operation.

Manifestly this Commission has no alternative, under the law and in light of the record in this case, than to provide additional revenues, by such means as is within our jurisdiction, or see the company forced into a receivership with its attendant evils and deterioration, if not actual suspension of service over many of the lines.

It is fundamental that no business can continue to operate unless it receives for the service rendered or the goods sold an amount equivalent to the cost of rendering such service or furnishing such goods. A manufacturer can not indefinitely sell his product for less than its cost of production. Bankruptcy and abandonment are the inevitable results. This principle is quite as true in the conduct of public service. The street railway can not indefinitely operate at a loss. All successful industrial enterprises have, during the last several years of increase in costs, adjusted the selling price of their product to cover the increased cost thereof.

The difficulties of the applicant, it is apparent, are largely due to the increased costs of operation, labor and material, and the reduced purchasing power of the dollar.

In discussing revenues, it may be instructive to direct the attention of those interested to the fact that it requires a sum of approximately \$255,000 each and every month to meet the payroll expenses alone, in addition to which some \$16,000 per month is necessary to pay taxes. In other words, ignoring the costs of materials and supplies, repairs, and all other causes of expense, these two items, labor and taxes, require that a revenue in excess of \$270,000 per month be secured to meet them.

Following is a comparative income statement showing the revenues and expenses of city lines for the years 1912 to 1919, inclusive:

## COMPARATIVE INCOME STATEMENT

	Gross Operating Revenue	Total Operating Expense Less Depreciation	Taxes	Depreciation	Operating Income	Rate of Return Per Cent	Rate Base
1912	\$3,370,505.77	\$1,797,945.20	\$ 122,853.24	\$ 366,108.00	\$1,083,599.33	6.15	\$17,616,386.26
1913	3,377,690.48	1,864,667.50	179,456.56	366,108.00	967,459.42	5.37	18,009,259.23
1914	3,176,100.08	1,739,824.90	192,252.36	366,108.00	877,914.82	4.77	18,395,005.19
1915	2,742,350.72	1,707,912.45	243,347.16	366,108.00	424,933.11	2.29	18,504,951.08
1916	2,748,182.43	1,697,486.69	204,323.32	366,108.00	479,764.42	2.59	18,529,356.87
1917	3,158,941.78	3,018,611.99	200,319.04	366,108.00	553,402.73	2.98	18,590,586.34
1918	4,258,910.54	2,890,238.58	212,969.47	366,108.00	789,604.49	4.23	18,875,087.17
1919	4,560,616.07	3,286,505.44	186,521.76	366,108.00	721,480.87	3.85	18,739,714.64

Had the increased wage scales, applicable during the latter part of 1919, been in effect for the entire year the expenses would have been further increased by the amount of \$327,000, which in turn would have reduced the rate of return in 1919 from 3.85 per cent to 2.11 per cent.

We conceive it to be of selfish interest to the community that its utilities be kept financially solvent and able to fully discharge their duties to the people served, and from the foregoing statement it is readily apparent that an immediate increase in revenues is imperative.

Several plans have been suggested and discussed at the various hearings in this case, designed to provide this needed revenue, including, among others, the establishment of a zone system of fares, the collection of a transfer charge in connection with fare increases, and the inauguration of a straight fare increase under a plan similar to that now in effect.

The application of fares based on the distance passengers are hauled, the zone system, is frequently advanced as a solution of traction problems, and it must be conceded that the principle, at least, is sound. However, there are many factors to be considered in connection therewith, including the present arrangement of trackage and routing of cars; and various economic conditions, all of which have a direct and important bearing upon the question.

It is realized that Portland, covering a wide range of territory, has a large number of long and unprofitable hauls, and while theoretically these might properly be required to bear their full cost of operation, it is questionable if such a plan could be economically and efficiently placed in operation at this time.

From the testimony and exhibits introduced by the applicant, substantiated by the city's witnesses, our investigation and based on the record, it is apparent that a fare in excess of 7 cents must be established if an adequate service is to be maintained. In the schedule herein prescribed we have endeavored to arrange a group of rates which will promote the use of tickets, and eliminate so far as possible the use of the undesirable cash fare and cumbersome transfer charge, thereby eliminating traffic congestion occasioned by the collection of same; resulting in speeding up traffic and a reduction in operating expenses. This plan was designed to permit the frequent rider an opportunity to take advantage of reduced fares through the purchase of tickets, available in small quantities, and sold on the cars.

Under the system of present-day regulations, no rate of fare can be considered as permanently fixed, and in this order the fares prescribed will remain in effect for only such length of time as conditions warrant.

If improved conditions, action by the Council, or the voters of that community, or any good and sufficient reason, make possible a reduction in street car fares, this Commission will not hesitate to act.

It is confidently hoped that future increases in the density of traffic, or relief from other sources, may result in greatly improving the finances of the utility, and in order that the Commission may be constantly advised of the financial standing and operating conditions of the company, it will be required to file monthly statements showing in detail the number of passengers carried, by rate classifications, the gross operating revenue in detail, the operating expenses, by accounts, and such other information as the Commission may deem necessary for its full and complete information.

Under this order the Commission shall expect the company to immediately take steps to rehabilitate cars, tracks and equipment, and place the same in such condition as will promptly remove any just cause for complaint by the car riders of the City of Portland.

#### FINDINGS

From a full consideration of the foregoing facts and of the entire record herein, the Commission now makes the following findings:

1. That the present revenues derived by the Portland Railway, Light & Power Company from its street railway operations within the City of Portland are insufficient and inadequate.
2. That the present rates of fare charged, imposed and collected for transportation upon the street railway lines of the said company within the City of Portland, in so far as they differ from the just and reasonable rates of fare hereinafter set out, are unjust and unreasonable.

3. That just and reasonable fares for the said utility to charge, impose and collect in the future, in lieu of said present fares herein found to be unjust and unreasonable are as follows:

Unlimited tickets in books of 50 coupons .....	\$3.65
Unlimited tickets in strips of 6 coupons .....	.45
Limited school children's tickets, each .....	.04
Single cash fare .....	.08

#### ORDER

Based upon the foregoing findings, IT IS ORDERED that the Portland Railway, Light & Power Company be, and it hereby is, authorized to increase its rates and fares for transportation upon its street railway lines within the City of Portland, such increases, however, not to exceed the just and reasonable rates and fares hereinbefore set out.

IT IS FURTHER ORDERED that until otherwise advised by this Commission the said Portland Railway, Light & Power Company shall file with us monthly statements showing in detail the number of passengers carried, by rate classifications, the gross operating revenue in detail, the operating expenses, by accounts, and such other information as the Commission may deem necessary for its full and complete information.

IT IS FURTHER ORDERED that the said company shall, at all times, keep posted in a conspicuous place in each of its cars operated in the street railway service in the City of Portland, a notice or notices advising the public that tickets may be purchased at any time by application to the conductor, and stating the price and quantities in which said tickets may be had.

This order shall become effective June 15, 1920.

In the matter of the application of the PORTLAND RAILWAY, LIGHT AND POWER COMPANY for increase in fares on street railway lines in the City of Portland. } U-F-268

#### (SUPPLEMENTAL ORDER)

ORDER ENTERED JUNE 11, 1920—P. S. C. ORDER NO. 606

It appearing that under date of June 10, 1920, this Commission made and entered its findings and order in the above entitled matter, establishing certain rates and fares for transportation on the street railway lines of the Portland Railway, Light & Power Company within the City of Portland, such order to become effective June 15, 1920; and

It appearing that by reason of the several days intervening between the issuance and effective date of said order many are purchasing large supplies of ticket books and strip tickets with the intent of obtaining thereby preferential fares; and

It appearing that laboring people, suburban residents, and others who may have neither the time nor surplus funds to purchase quantities of such ticket books and strip tickets will be discriminated against in the event the sale of such books and tickets is continued; and it being very probable that certain persons are buying with the intent of reselling and thus deriving personal profit therefrom at the expense of others less fortunate; and

To prevent this obvious discrimination and to protect those who have in the past purchased, in good faith, reasonable quantities of these books, and to avoid the necessity of refusing to honor same, and requiring that all outstanding books be redeemed at purchase price, the Commission now deems it necessary and advisable that the sale of tickets in strips and books at the present effective price be immediately discontinued.

IT IS, THEREFORE, ORDERED that from and after the date hereof the Portland Railway, Light & Power Company shall cease and desist from selling, at the present effective sale price, tickets, either in strips or books.

In the matter of the application of THE CENTRAL OREGON }  
 IRRIGATION COMPANY for increase in maintenance for } U-F-256  
 operation and upkeep of its irrigation system.

ORDER ENTERED JUNE 15, 1920—P. S. C. ORDER NO. 606

This is a matter before the Commission on the application of the Central Oregon Irrigation Company for increase in maintenance fees for operation and upkeep of its irrigation system.

After due and legal notice to all interested parties, the above entitled matter came on regularly for hearing and investigation at the City Hall, in the City of Redmond, Oregon, on the first day of April, 1920, at the hour of 10 o'clock a. m., at which time and place testimony was taken and all interested parties heard.

The applicant, in its amended petition, alleges, among other things, that the Central Oregon Irrigation Company is a public utility as defined in the Public Utility act, Chapter 279, of the General Laws of the State of Oregon for 1911, and as such is operating within the State of Oregon, and is subject to the jurisdiction of the Public Service Commission of said State.

The respondents, the Central Oregon Irrigation District and H. H. Deltrich, in answer to the petition of the applicant on file herein, alleges that the Central Oregon Irrigation company is not a public utility within the meaning and intent of Chapter 279, General Laws of Oregon for 1911, and that the Public Service Commission of said State has no jurisdiction over said company, or over the regulation or increase in maintenance fees or charges for the operation and upkeep of the irrigation system, or over any question or matter which is the subject of said petition.

In view of the opinion of the Attorney General and based upon the records and files herein, the Commission finds:

That it is without jurisdiction to rule upon the application on file herein, and that said application should be dismissed.

THEREFORE, IT IS HEREBY ORDERED that the application of the Central Oregon Irrigation Company for increase in maintenance fees for the operation and upkeep of its irrigation system be, and the same is hereby, dismissed in all things, and that said case be, and it hereby is, closed upon the dockets of this Commission.

In the matter of the application of J. F. DAUGHERTY to } U-F-283  
 cease business as a public utility.

ORDER ENTERED JUNE 29, 1920—P. S. C. ORDER NO. 607

This is an application brought by J. F. Daugherty seeking permission to discontinue operations as a public utility in the furnishing of water to the residents of the City of Yoncalla. The matter came on regularly for hearing before the Commission at Yoncalla, Oregon, on Friday, the twenty-eighth day of May, 1920, at which time and place testimony was taken and all interested parties heard.

The case having been fully submitted upon the testimony and evidence offered and the Commission being now fully advised in the premises makes the following findings:

#### FINDINGS

1. That the applicant, J. F. Daugherty, is the owner of and operates a certain plant and equipment for the furnishing of water for domestic and other purposes to the residents of the City of Yoncalla, which said plant and equipment is a public utility as the same is defined by Chapter 279 of the laws of Oregon for 1911.

2. \* \* \* That the distribution mains of the said applicant have and do now occupy the city streets of the said City of Yoncalla without lawful authority, and although it appears that the applicant herein has twice made application to the City of Yoncalla for a franchise, he has been unable to obtain the same; that the said petitioner is unwilling to make further investments for the purpose

of continuing or renewing his present plant in order to continue service to his patrons for the reason that the City of Yoncalla may at any time compel him to withdraw from occupancy of the streets, thus confiscating a portion, at least, of his investment.

3. That the applicant's present available supply of water is inadequate and insufficient to furnish to his patrons an adequate and suitable service and that such service is consequently unsatisfactory both to the utility owner and to his patrons; that although the said applicant has endeavored at various times to augment his water supply and has dug numerous wells, he has been unable to obtain an additional supply of water and there is none now available that may be obtained at a reasonable cost.

4. That the water utility of the applicant has, for a number of years and is now being operated at a loss and said plant could not be placed upon a paying basis for the reason that the rates which would be necessary to pay operating expenses and a reasonable return upon the investment would exceed the value of the service to the patrons of said utility.

#### CONCLUSION

From a full consideration of the foregoing facts and of the entire record before us, the Commission is of the opinion and now finds that it is without power or authority to require the said applicant to continue the utility service in the City of Yoncalla and that the application herein should be granted; provided, however, that the said applicant should be required to continue to furnish water for a period of sixty days from and after the date hereof to such of its patrons as have no other available water supply.

#### ORDER

IT IS, THEREFORE, ORDERED that the application herein be, and is hereby, granted and the right and authority given to J. F. Daugherty to discontinue the furnishing of water as a public utility in the City of Yoncalla.

PROVIDED, HOWEVER, that the said applicant shall for a period of sixty (60) days from and after the date hereof continue to furnish water to such of its patrons as have no other present available source of supply.

This order shall become effective July 1, 1920.

Petition of St. HELENS LUMBER COMPANY to discontinue }  
steam service to the few remaining patrons in the } U-F-289  
City of St. Helens, Oregon.

ORDER ENTERED JUNE 29, 1920—P. S. C. ORDER NO. 608

This is an application brought by the St. Helens Lumber Company requesting authority to discontinue its steam heating service in the City of St. Helens.

The case having been fully submitted upon the testimony and evidence offered and upon the briefs of counsel, and the Commission being now fully advised in the premises makes the following order:

#### ORDER

IT IS, THEREFORE, ORDERED that the application herein be, and is hereby, granted and the right and authority given to the St. Helens Lumber Company to discontinue its steam heating service in the City of St. Helens.

PROVIDED, HOWEVER, that said steam heating service shall be continued for a period of ninety days from and after the date hereof, in order to permit patrons of the utility who now have no other form of heat an opportunity to provide themselves with a substitute.



In the matter of the application of the DOUGLAS COUNTY  
LIGHT & WATER COMPANY for authority to increase } U-F-240  
rates.

In the matter of the application of the DOUGLAS COUNTY  
LIGHT & WATER COMPANY for authority to increase } U-F-259  
rates.

ORDER ENTERED JULY 13, 1920—P. S. C. ORDER NO. 615

#### ORDER

The above entitled matters came on for public hearing pursuant to due and legal notice of the time and place, before the Public Service Commission of Oregon on the twenty-eighth day of January, 1920, at 10:30 a. m., at the Courthouse in Roseburg, Douglas County, Oregon.

The case having been fully heard upon the applications and answers filed and upon the evidence and proofs offered, and having been fully submitted upon briefs of counsel, the following findings are now made by the Commission:

The applicant, Douglas County Light & Water Company, is an Oregon corporation engaged in the furnishing of electricity wholesale to the cities of Drain, Oakland and Sutherlin, and in its distribution for lighting, heating and power purposes at Yoncalla, Winchester, Roseburg, and the vicinities thereof, all in Douglas County, Oregon, and the furnishing of water for domestic uses and for fire protection at Roseburg and vicinity, in said Douglas County, Oregon, and is a public utility within the meaning of Section 1 of Chapter 279 of the General Laws of Oregon for 1911.

#### Valuation

In accordance with the usual practice of the Commission, valuation proceedings have been conducted with and as a part of this case. For the purpose of better advising the Commission in this regard, a demand was made upon the company to furnish detailed information as to its capitalization, funded and other indebtedness, and franchises, and to supply an inventory of its property used or useful for the service of the public, and to state the cost thereof, the estimated amount of money it would normally require to produce in kind each unit in normal new and useable condition, and the depreciation which had accrued thereon; the earnings and expenses from utility service and from other sources; the total units of consumption and number of each class of customers served; together with the fixed charges, taxes and other charges to be met by the utility.

Returns made by the utility were checked by the Commission's engineering department and the results of such investigations were embodied in the tables and exhibits presented in evidence at the hearing held thereon.

Considerable delay has been occasioned in connection with this valuation by failure of the utility to respond promptly and properly to the Commission's demands, particularly concerning the amount of money it would normally require to reproduce in kind each unit of its property in normal new and useable condition. In lieu of such reproduction cost estimate as requested there was furnished only a reproduction cost estimate based on present day prices. A normal reproduction cost estimate was thereupon prepared by the Commission's engineers, more nearly reflecting trend of unit cost prices, and was introduced in evidence in the case.

#### Property Valued

In this valuation, the electric and water properties of the applicant have been treated separately. The electric properties constitute the larger portion of the entire property, and consist of production, transmission and distribution equipment, with the usual appurtenances and incidental properties. The production equipment consists of a hydroelectric generating plant with a steam standby unit located at Winchester, on the North Umpqua River. The company also owns a small and seldom used hydroelectric generating unit located on the South Umpqua River near the city limits of Roseburg. These generating units serve the various communities heretofore named by high tension transmission lines with distributing systems in each city and village. The distributing system in and adjacent to Sutherlin is separately owned and operated and those in Oakland and Drain are municipally owned, electrical energy being purchased in these instances from the applicant at wholesale rates. In the various other communities served the distribution systems are owned by the applicant.

The water system consists of electrically driven pumping units situated at Winchester, together with a wood stave transmission main, four reservoirs, and a distribution system in the city of Roseburg and vicinity.

#### *Funded Debt*

The company has an authorized issue of \$200,000 first mortgage bonds, the full amount of which is now outstanding. These bonds were issued March 1, 1904, and fall due March 1, 1924. It also has a subsequent authorized issue of \$600,000 of general lien bonds, of which \$329,000 is outstanding. This issue is dated July 1, 1912, and falls due July 1, 1937. Both issues bear interest at the rate of 6 per cent per annum.

In addition to the foregoing, the utility has outstanding obligations amounting to approximately \$40,000 in the form of long-term notes, bearing interest at 6 per cent. The total outstanding interest obligations thus amount to \$569,000.

#### *Stock Issue*

The applicant has outstanding common stock of the par value of \$300,000. There is no indication, however, of either the value, the consideration received for it, nor of its present market value.

#### *Water Rights*

Claim is made by the utility to have included in any value fixed by the Commission an allowance of \$20,000 for water rights and flooding rights used in connection with its Winchester plant. It has also suggested that such a value might be considered as being more in the nature of a strategic value resulting from the convenient location of the plant.

While the record herein does not disclose the cost of this water and flooding right to the present owners of the utility, it having been purchased with other property and the value not segregated, it is evident that to go elsewhere for the location of hydraulic power would cost a sum in excess of the value claimed. This power site, by reason of its favorable location and adaptability for use in nonpublic service, possesses an augmented value. The Commission has, therefore, found a value for these rights, which it believes, under all attendant conditions and circumstances, to be fair and equitable.

#### *South Plant, Electric*

In its valuation figures the company has presented a claim for the value of the small hydroelectric generating unit commonly known as the South plant, which is located on the South Umpqua River near the city limits of Roseburg, the reproduction cost new as of June 1, 1919, being claimed to be \$64,685, and the estimated reproduction cost less depreciation as of the same date \$25,874. From the record it is apparent that the ownership of this unit rests with the utility as the natural result of competitive conditions existing many years ago, it having been acquired at the time of the consolidation of certain competing companies. The propriety of its inclusion as property used and useful in the public service has been questioned.

The utility has, at its Winchester plant, a steam standby unit of sufficient capacity to furnish the needed standby service during any part of the year when necessity may require. This is the most suitable plant for this purpose, and full and reasonable allowance therefor has been included in our valuation. We fail to see any good reason, however, why the user of electric service should be charged with maintaining a second additional standby plant for which there is no reasonable need. During the summer months the shortage of water at the South plant makes practical operation impossible. The Commission's engineer testified that at the time of his investigation in July this plant was shown by actual trial to be incapable of generating sufficient voltage to be of use in the public service. Consequently we believe it is improper to consider this plant as justifiably required for the public service. It is our further opinion that it could be disposed of without seriously crippling the electric service; that it has no material value as a standby facility and should only be considered as non-operating property.

Plant operating history, however, indicates that it is probably very seldom that an opportunity so adapted for the use and operation of this South plant would happen. It was developed that the use of the South plant under particular and unusual conditions resulted in a saving of approximately \$25 a day in fuel, which would have been necessary to run the steam plant under light load to supply the equivalent service.

Therefore, instead of treating this plant as being used and useful in the public service and including an allowance for the value thereof, we believe the more equitable method would be to allow its owners a rental for its use, equivalent to the actual saving effected thereby. Such rental should accordingly be charged hereafter to operating expenses and credited to nonoperating revenue when it shall occur, and an allowance has been made in our estimate of future operating expenses for this purpose.

#### *South Plant, Water*

A test of the water pump at the South plant by our engineer indicated that only in case of complete breakdown, of all other facilities, for the furnishing of water would such plant be useful, and then for fire protection only and in a minor degree. Testimony offered on behalf of the city indicates that the water obtained at that plant is so badly contaminated as to be unfit for human consumption and should not be permitted to enter the water mains. This water plant has therefore also been excluded from operating property.

#### *Steel Transmission Main*

Another item of water property, the propriety of the inclusion of which has been questioned, is an old riveted steel transmission line extending from Winchester to the City of Roseburg. The record discloses that this pipe line has been out of service for several years and when last used was in very poor condition and leaking badly. Further, for at least six months next preceding the hearing, it had been allowed by the utility to remain severed and no physical connection existed through this main between the intake and the reservoir. In view of these facts the Commission has excluded this from the useful utility property.

#### *Original Cost*

The actual original cost of all but very recent installations to the property of the applicant is impossible to determine. The accounting methods followed have been poor, and due to the lack of a proper work order system the exact cost of any particular item can not be definitely determined. The amount of fixed capital, as shown by the books of the company, is so very much out of proportion to what may reasonably have been a cash consideration, or its actual equivalent, that it is practically of no value in determining actual cost.

#### *Reproduction Cost New at Present Day Prices*

As heretofore stated, there was presented in evidence in this case, by the applicant company, a valuation of its property based upon present-day prices. The value arrived at by the application of this method is naturally an exceedingly high one. Rates for utility service, based upon a valuation of this kind, would, at this time, be very high compared to those which would have been considered reasonable three or four years ago measured by the same method of valuation. The use of such a value for rate making is not in conformity with the generally accepted theories of public utility operation and regulation.

To every public utility is delegated the duty and right of performing a particular public service. As compensation for the service performed, the utility is entitled to a reasonable return upon the amount of money prudently invested in the public service. The utility should thus be assured against the uncertainty that confronts a private concern, and speculative features should be almost entirely eliminated. The public reaps the benefit from this arrangement in the form of constant and continuous service at more stable and lower rates.

Under the theory advanced by the applicant, when construction material and construction labor prices rise, the rate base value must also increase correspondingly; when these prices decrease, the rate base value must fall. The return to the utility thus becomes speculative, the compensation demanded by the investor increases correspondingly, and the utility is placed on a plane with private speculative enterprise.

While the figures presented by the applicant are of importance in this proceeding and merit the consideration of the Commission, yet they are but an element in the determination of a rate base.

#### *Historical Reproduction Cost*

The valuation prepared by the engineering department of the Commission is what may be termed a historical reproduction cost, and approximates as closely as possible the actual original cost of the property now of use and useful

in the public service. This so-called historical reproduction cost is obtained by the adoption of actual costs, wherever possible of verification, and by the application of the estimated current costs of material, labor and other incidental expenses of installation, as of the time of construction, to each unit of the remaining physical property. This method of valuation, approaching, as it does, more closely to the actual investment than can be obtained in any other method, in our opinion is the most important factor in fixing valuations for rate making purposes. In order that good management should be encouraged, and especially that the public should not be charged with providing a return upon money lavishly or improvidently spent, this "historical reproduction cost" should be limited to the amount of investment honestly and prudently made at the time of construction.

In direct contrast to the fluctuating rates which would logically follow from using reproduction cost as of any particular date of valuation, the historical method tends toward stability of rates. When replacements are made at a higher price than the original unit, this increased investment is reflected directly in this historical reproduction cost.

#### Comparison of value

Deducting the South plant and the old steel transmission line from the appraisal of the company's engineer, and deducting the allowance for working capital from both engineers' appraisals, the following comparison of the total appraised value of the utility's fixed capital is a result:

#### ELECTRIC UTILITY

	Reproduction Cost New	Reproduction Cost Less Depreciation (On straight line basis)
Company's engineer .....	\$399,163.00	\$306,442.00
* Commission's engineer .....	263,395.00	199,918.00
<b>WATER UTILITY</b>		
Company's engineer .....	\$403,637.00	\$320,972.00
* Commission's engineer .....	212,183.00	152,837.00

\* Includes Commission's value of land, which was not valued by its engineer.

It will be noted above that the depreciated condition of the property has been estimated and computed by both engineers of the straight line basis. There has been in previous cases before this Commission much and varied testimony concerning the manner in which depreciation occurs. Although its actual manifestation is generally more rapid in the later portions of its useful life, yet it appears that if a unit with a twenty-year life has been in service ten years, half of its wearing value is gone. In consequence, and especially in the absence of any depreciation fund, which may be considered as an adjunct to the physical property, the straight line basis is herein approved as a method of expressing the requirement of fixing the reproduction cost new less depreciation.

Statements submitted by stipulation show the total net additions and betterments since the date of appraisal to January 1, 1920, to be as follows:

Electric utility .....	\$2,299.00
Water utility .....	1,119.00

Making allowance for the above additions and betterments the Commission now finds the historical reproduction cost new of the fixed capital as of December 31, 1919, and of the reproduction cost new less depreciation (having made allowance for accruing depreciation since the date of appraisal) for the same date, to be as follows:

	Reproduction Cost New	Reproduction Cost Less Depreciation
Electric utility .....	\$270,194.00	\$201,096.00
Water utility .....	213,802.00	149,306.00
Fixed capital .....	\$483,996.00	\$350,402.00

The books of the company show as of the same date the total of its fixed capital accounts to be the sum of \$944,380.94, of which an amount of \$747,450.83 has no further detail than its classification as "property rights and franchises."

In such a case where a wide, and to our minds, incomprehensible difference exists, between the fixed capital on the utility's books and that which we find approximates as closely as possible the amount judicially expended, the Commission strongly recommends that the present fixed capital accounts be discarded and that proper detailed accounts totaling the amount above found as the reproduction cost new be substituted therefor.

#### *Value for Rate Making Purposes*

In our Order No. 499, in re the Pacific Telephone & Telegraph Company (P. U. R. 1919 D 350), the Commission discussed at length, under the heading "Depreciation and Value," certain principles which apply as well in this as in other valuation cases. In that opinion two principal theories of depreciation and value were discussed. One method contemplates the use of the average or normal reproduction cost less depreciation as a rate base, with an allowance for depreciation on the straight line method, the other method, which produces substantially the same result in the final analysis, contemplates a cost new rate base, with an allowance for depreciation on the sinking fund method.

The principal objection to the use of the straight line depreciated value as a rate base is that this value may range from the entire cost new to the salvage value of any unit, depending upon the particular date chosen for the appraisal. And, where a large portion of the existing plant, the units of which have approximately the same useful life, was either originally constructed or rebuilt during a relatively short period, the conditions governing its depreciation approximate of the single unit above mentioned. The resulting rate would then depend upon the age of the plant, when it is manifest that the value of the service rendered, and, we believe, the fixed plant costs, should be the same throughout its life. Should the straight line basis be used an average or normal depreciated value should be found; however, such a value is practically impossible of determination.

The cost new basis, easily determined, with a sinking fund depreciation allowance, was used in the case above mentioned, and, when this allowance is properly safeguarded, as hereinafter provided, we believe it is the simpler and better method. Such a method is consequently used in this case.

The valuation hereinafter fixed is purely a rate base value for the purpose of fixing just and reasonable rates and should be so considered. (See P. S. C. Or. Order No. 211.)

From a full and careful consideration of the foregoing findings, in connection with the entire record before us, the Commission now determines that the value for rate making purposes of the utility property of the Douglas County Light & Water Company in Oregon, actually used and useful for the convenience of the public, and including a due allowance for working capital, stores and supplies, and development cost, was on January 1, 1920, as follows:

Electric utility .....	\$306,969.00
Water utility .....	250,767.00

#### *Depreciation Allowance in Operating Expenses*

The utility's engineer contended that the utility should be allowed to charge its operating expenses with the cost of replacing fixed capital or plant used up in the public service, and his reproduction new at the present-day prices was used as the basis of the cost of replacement.

The depreciation allowance should cover the retirement of the cost of installation of fixed capital, which cost, for any one unit, is a known and fixed amount. This procedure will require no rate changes incident to market fluctuations. It also is in accordance with our prescribed classification of accounts which provide that when a replacement occurs the old capital shall be retired (through charges to depreciation reserve, when such exists or to surplus) and that the entire cost of the replacement should be charged to capital account. The utility is thereafter entitled to both return and allowance for later retiring this new capital. This method works for stability in both accounting and rate making, and will continue to be followed by this Commission.

All evidence submitted assumed that depreciation would be computed on a straight line basis. If the value new is used as the principal determinant of the rate base a smaller depreciation (retirement) allowance on the sinking fund basis

is the proper and consistent procedure. On this basis for each utility as of December 31, 1919, the annual amount properly allowable to be charged to operating expenses is as follows:

Electric utility .....	\$5,940.00
Water utility .....	5,550.00

For any later date, these figures should be corrected by amounts resulting from the application of proper depreciation percentages to the net additions and betterments.

#### *Requirement for Depreciation Accounting*

In accordance with our prescribed classification of accounts, the depreciation (retirement) allowance herein set out shall be charged to operating expenses and concurrently credited to the depreciation reserve (Account No. 168). There shall concurrently be withdrawn from cash, or equivalent source and placed in the depreciation fund (Account 119-b) an amount equal to the net monthly credit to the reserve, and the moneys in this fund shall be expended in accordance with Section 17 of the Public Utility act. Final withdrawals from this fund for replacements may be made only in the amount of the actual accrual upon plant items retired. All other withdrawals shall be considered as loans from the fund, and interest thereon shall be paid to the fund in such amount that the total interest, additions to the fund shall equal not less than 4 per cent per annum upon all moneys in the fund not permanently withdrawn. The depreciation reserve account shall be credited for the amounts charged to the depreciation fund for interest accruals.

#### *Requirement of Work Order*

Evidence shows that the property accounts of this utility have been very poorly kept and although the total cash expenditure may be checked, the identity of specific additions is incapable of verification in the company's records. The records of retirement were inadequate and improperly made. In order that the necessity for similar laborious valuation may not again occur, it is imperative that proper and adequate records of both additions to, and retirements from, fixed capital be correctly reflected in the utility accounts.

Work orders and retirement orders, showing details of labor and material separately, will consequently be received hereafter, and the utility will submit to the Commission for approval within thirty days from the effective date of this order, its proposed forms for such records.

#### *Operating Revenues and Expenses*

On the page next following is a comparative income statement for the period during which this utility has reported to this Commission, showing the return (operating income) obtained. From these amounts should be deducted a depreciation allowance which this utility has not heretofore included in its operating expenses.

DOUGLAS COUNTY LIGHT & WATER COMPANY—COMPARATIVE INCOME STATEMENTS  
(From Annual Reports)

	June 30, 1913	June 30, 1914	June 30, 1915	June 30, 1916	Dec. 31, 1917	Dec. 31, 1918	Dec. 31, 1919
<i>Electric—</i>							
Operating revenues .....	\$ 45,765.37	\$ 62,652.21	\$ 46,750.83	\$ 52,078.76	\$ 55,833.12	\$ 53,264.17	\$ 61,929.97
Operating expenses .....	9,302.63	10,036.74	14,160.39	13,310.37	9,964.74	15,029.09	28,965.89
Net operating revenues .....	\$ 36,462.74	\$ 52,615.47	\$ 34,590.44	\$ 38,768.39	\$ 45,868.38	\$ 33,233.08	\$ 32,964.08
Taxes .....	1,120.52	1,204.00	1,438.37	1,995.78	1,939.07	2,308.35	5,111.56
Uncollectible operating revenue .....	.....	.....	.....	183.72	335.21	113.52	271.20
Operating income (as reported) ---	\$ 35,342.22	\$ 51,411.47	\$ 33,151.47	\$ 36,588.89	\$ 43,594.10	\$ 35,813.21	\$ 27,581.32
Estimated depreciation (as herein allowed)	4,380.00	4,440.00	4,495.00	5,455.00	5,608.00	5,755.00	5,378.00
* Estimated true operating income..	\$ 30,962.22	\$ 46,971.47	\$ 28,656.47	\$ 31,133.89	\$ 37,986.10	\$ 30,058.21	\$ 21,703.32
<i>Water—</i>							
Operating revenues .....	\$ 22,275.60	\$ 23,366.64	\$ 22,122.64	\$ 22,244.86	\$ 22,361.37	\$ 22,281.04	\$ 24,098.90
Operating expenses .....	9,411.52	9,718.52	11,410.30	11,970.53	11,795.35	10,975.94	13,242.79
Net operating revenue .....	\$ 12,864.08	\$ 13,648.12	\$ 10,712.34	\$ 10,274.33	\$ 10,466.02	\$ 11,305.10	\$ 10,856.11
Taxes .....	850.96	625.55	953.28	1,330.52	1,292.10	1,588.90	2,044.62
Uncollectible operating revenues .....	.....	.....	.....	70.20	38.90	75.68	15.00
Operating income (as reported) .....	\$ 12,013.12	\$ 13,022.57	\$ 9,753.06	\$ 8,873.61	\$ 9,134.42	\$ 9,690.52	\$ 8,796.49
Estimated depreciation (as herein allowed)	3,230.00	3,265.00	3,301.00	3,476.00	5,416.00	5,491.00	5,531.00
* Estimated true operating income....	\$ 8,783.72	\$ 9,757.57	\$ 6,452.06	\$ 5,397.61	\$ 3,719.42	\$ 4,199.52	\$ 3,265.49

\* Equivalent to the return on the utility property.

\* \* \* \* \*

### Franchise Provisions

It is contended by counsel for the city that by reason of certain charter and franchise provisions the Commission is powerless to interfere with the applicant's water rates either for domestic use or for municipal fire protection.

Regarding our authority to establish rates for municipal fire protection in contravention of franchise provisions of the city we desire to say that the decision of the Supreme Court of this State in the case of the City of Hillsboro vs. Public Service Commission of Oregon et al., decided since the hearing had hereon, has fully disposed of this issue, the Commission's order fixing such rates having been upheld.

In that case the court said: "The utility was and is engaged in furnishing water, not only to the people of cities directly but indirectly by contract with the cities for water service for fire protection. If the water company entered into a contract with a private corporation to supply it with water at a special rate regardless of when the contract was made, there is no doubt but what the Commission may, upon appropriate proceedings, change the rate of compensation provided in such private contract. If the City of Hillsboro entered into a contract, special in its character, either before or after the passage of the utilities law, fixing a compensation for private service, such contract would be subject to revision by the Commission. The utilities can not have contracts for any portion of its service whether it be with the public at large for domestic use, or for private corporations upon special contracts, or with cities and towns connected with its system, but what it will constitute a part of its service and would affect its income and but what would be subject to revision or modification by the Commission. \* \* \*"

### Necessity for increase.

From the foregoing income statement, the estimated true operating income shows that the necessary increase in electric rates will be less than that needed for the water utility, which has been yielding a very low return for at least the period since 1913, and this is especially true at this time. None of the rates requested by the applicant will be granted herein. The lighting rate as proposed by it, especially, is entirely too high, as are the other proposed electric rates in a lesser degree. No change in the municipal lighting rates will occur at this time. The especial attention of the water consumer is called to the fact that the old metered water rates are less than any that have ever been heretofore prescribed by this Commission, even during the period of low operating costs. Such a condition should demonstrate to the water users of Roseburg the inadequacy of the low rates previously paid for water service.

\* \* \* \* \*

The City of Roseburg has been the recipient of an extremely low hydrant rental and unquestionably out of all proportion to proper returns on the investment, and, theoretically, at least, at the expense of the individual water user. This cost is approximately \$3,600 per annum over that of the utility's other business.

This cost is composed only of a depreciation and return upon the additional investment required for fire hydrant service. No charge for operating expense, or for water used, is included therein. As a choice between charging the individual consumer of water a sufficiently high rate to pay for this fire protection, or of charging the taxpayers for the fire protection which they receive, we believe there can be but one equitable course of action open to this Commission. This we have previously followed in the Hillsboro case, *supra*, which decision has been heretofore referred to. However, the effective date of the requirement for municipal hydrant rentals will be set forward to October 1, in order to obviate embarrassment to the city government.

It should be well known and understood that the loss in pressure, and, consequently, the loss in quantity and effectiveness of the water delivered, in fire hose is very high, and if a block length of hose can be substituted by the installation of an additional hydrant such substitution will undoubtedly be found to have been economical in case of fire.

The rate hereinafter fixed is based on adequate service for fire protection and the utility will be expected to use all reasonable efforts to keep its reservoirs full. Reasonable service demands that at no time should the reserve water in each group be less than 45 per cent of its maximum. Indicators readily visible from a distance showing the actual amount of water in each reservoir shall be provided by the utility.



*Flat rates*

This Commission has found that the use of flat rates and combined light and power rates generally leads to discrimination. In consequence, all flat rates, except those hereinafter prescribed, will be canceled by this order.

**CONCLUSIONS**

From the record it is found that the following charges for electric energy for lighting and power purposes and for water for domestic and other uses are just and reasonable, are not unjustly discriminatory or unduly preferential, and should be substituted, charged, imposed and collected by the applicant, Douglas County Light & Water Company, in lieu of the metered and flat electric and water rates now in force and effect for the corresponding service.

**ELECTRIC RATES***Residence Lighting*

The following rate applies to all lighting service supplied to residences, churches, lodges, or religious, charitable and fraternal organizations:

	<i>Per Month</i>
First 8 k. w. h. or less .....	\$1.00
Next 22 k. w. h. or less, per k. w. h. ....	.10
Next 20 k. w. h. or less, per k. w. h. ....	.08
Excess over 50 k. w. h. ....	.06

*Commercial Lighting*

This applies to all lighting service supplied to stores, offices, hotels, apartment houses (when considered as one customer), theaters, hospitals, schools or any lighting service used for commercial purposes.

The following primary (or demand) rate applies only to the first 60 kilowatt hours' use per kilowatt per month of the demand as hereinafter defined.

The secondary rate next following applies to all consumption in excess of that specified for the primary schedule.

*Primary Rate*

	<i>Per Month</i>
First 8 k. w. h. or less .....	\$1.00
Next 42 k. w. h., per k. w. h. ....	.10
Excess over 50 k. w. h., per k. w. h. ....	.07

*Secondary Rate*

First 150 k. w. h., per k. w. h. ....	.07
Next 250 k. w. h., per k. w. h. ....	.05
Next 400 k. w. h., per k. w. h. ....	.03
In excess of 800 k. w. h., per k. w. h. ....	.02

*Minimum Charge*

No monthly bill shall be less than \$1 plus 10c for each 100 watts, or major fraction thereof, of active load in excess of 500 watts.

*Active Load*

No active load will be considered as less than 500 watts. The active load of all commercial lighting installations will be determined as follows:

One-third of the connected load in:

Apartment houses and hotels (except reception rooms, hallways and lobbies).

Basements, lofts and other rooms used only for storage.

Warehouses and barns (except offices and workrooms).

Academies and schools (except night schools).

Of all other lights and exceptions noted above:

30 per cent of the first 2 kilowatts of connected load.

50 per cent of all excess over 2 kilowatts of connected load.

Cooking and heating devices up to 800 watts individual capacity and single-phase motors not exceeding  $\frac{1}{4}$  horsepower may be supplied through the lighting meter on this schedule without increasing the active load or minimum charge.

Heating and cooking devices above 800 watts individual capacity and single-phase motors not exceeding  $\frac{1}{4}$  horsepower (at equivalent of 900 watts per horsepower) may be supplied through the lighting meter on this schedule.

The individual capacity of such devices or motors in excess of 800 watts will be added to the connected lighting load in determining the active load and the minimum charges under which service will be rendered.

**Electric Cooking and Heating Schedule**

For domestic and commercial cooking and heating, domestic power appliances of less than 800 watts may be attached only where domestic cooking or heating exceeding 1,000 watts is being used.

	<i>Per Month</i>
First 50 k. w. h., per k. w. h. ....	\$0.04
Excess over 50 k. w. h., per k. w. h. ....	.03
Minimum charge .....	2.50

**Water Heating Flat Rate Schedule**

Where water heaters are used in connection with electric range, and the customer has his premises so wired with double throw switch that the demand of the heater (which must not be greater than that of the range) can not be coincident with the cooking demand:

	<i>Per Month</i>
First 250 watts, per watt .....	\$0.004
Excess over 250 watts, per watt .....	.003

**Sign and Advertising Lighting** (average burning over 1,000 hours per year)

When not connected with meter or other commercial lighting:

	<i>Per Month</i>
First 50 k. w. h., per k. w. h. ....	\$0.06
Excess over 50 k. w. h., per k. w. h. ....	.05

Minimum charge \$1, plus 10c for each 100 watts, or major fraction thereof, of active load in excess of 500 watts.

**Flat Rate, Heating**

Present flat rate heating, other than above prescribed, will be continued on present rates until October 1, after which date these rates will be discontinued.

**Twenty-hour Power Schedule**

The following primary (or demand) rate applies only to the first 50 kilowatt hours' use per horsepower, or 60 kilowatt hours' use per kilowatt, per month of the demand as hereinafter defined.

The secondary rate next following applies to all consumption in excess of that specified for the primary schedule.

**Primary Rate**

	<i>Per Month</i>
First 200 k. w. h., per k. w. h. ....	\$0.07
Next 500 k. w. h., per k. w. h. ....	.05
Next 800 k. w. h., per k. w. h. ....	.03
Excess over 1,500 k. w. h., per k. w. h. ....	.02

**Secondary Rate**

First 300 k. w. h., per k. w. h. ....	.02
Next 700 k. w. h., per k. w. h. ....	.01
Next 4,000 k. w. h., per k. w. h. ....	.01
Excess over 5,000 k. w. h., per k. w. h. ....	.0075

The utility shall give fifteen days' written notice to power customers, defining the initiation of, or any change in, the four-hour period during which the necessity for operating steam plant would require this four-hour restriction in the use of power. Fluctuating loads which will impair the lighting service will be required to observe the twenty-hour schedule continuously.

**Twenty-four Hour Provision**

The twenty-hour power rate, plus 20 per cent, will apply to nonfluctuating power loads running at any time on the four-hour restricted period. No fractional month will be billed at this rate.

**DEMAND FOR POWER SCHEDULE**

Demand is defined as being the greatest average rate at which energy is used within a period of five consecutive minutes, and will be assessed or measured as hereinafter indicated.

**Assessed Demand**

Expressed in horsepower, will ordinarily apply to installations of less than 25 horsepower and will be determined as follows:

The combined rated capacity of all motors (except elevator motors and others of similar character) will be taken and the following percentages thereof considered as the assessed demand:

	Installations of		
	1 motor	2 to 5 motors	Over 5 motors
First 5 h. p. of total rated capacity .....	95 per cent	90 per cent	85 per cent
Next 10 h. p. of total rated capacity .....	65 per cent	60 per cent	65 per cent
Excess over 15 h. p. total rated capacity .....	65 per cent	60 per cent	55 per cent
In no case, however, shall the <i>average</i> percentage be less than .....	75 per cent	70 per cent	65 per cent

Any motor or motors having a rated capacity less than 10 per cent of that of the total installation shall not be considered as increasing the number of motors as applied under the above classification. Two or more motors having an aggregate rated capacity of 10 per cent of the installation shall be considered as one motor.

#### Measured Demand

Expressed in kilowatts, will apply to installations in excess of 25 horsepower or to any exceptional or unusual use of energy. This demand will be measured by the following methods:

- (a) Count of disk revolutions of consumer's meter.
- (b) Eighty per cent of volt-ampere reading.
- (c) Installation of special demand meters.
- (d) Elevator motors, hoist, welders and other highly fluctuating loads, or load, which do not exist constantly for periods of at least five minutes will have the demand assessed at 70 per cent of the greatest load (by three tests, see below) existing while in operation.

Method (c) is preferable and will be applied to all installations in excess of 100 horsepower. Methods (a), (b) and (d) will be based upon the average of at least three tests, not more than one of which shall be made in any one hour, and not more than two in any one day.

No more than one demand test in any six months shall be made at the consumer's request where there has been no change in installation, except such test be at the consumer's expense.

#### Minimum Demand

No demand shall be considered for less than one horsepower.

#### Notification

The consumer shall be required to give written notification to the power company of any change in installation so that the corresponding change in demand may be determined, and proper rate therefor charged.

#### Minimum Charge (based on demand as determined above)

	Per Month
First 2 h. p., per h. p. ....	\$1.50
Next 8 h. p., per h. p. ....	1.25
Excess over 10 h. p., per h. p. ....	1.00

#### Equivalent

For determining equivalent horsepower for measured demand and for all other purposes, one kilowatt (input) shall be considered as equal to 1.2 horsepower (output).

#### WATER RATES

Regular Meter Rate	Per Month
First 300 cu. ft. or less .....	Minimum charge (see below)
Next 1,700 cu. ft., per 100 cu. ft. ....	\$0.15
Next 1800 cu. ft., per 100 cu. ft. ....	.10
Excess over 2,000 cu. ft., per 100 cu. ft. ....	.08

#### Sprinkling Meter Rate (Commodity Basis)

Applicable during the sprinkling season (from April meter reading to September meter reading) to consumers using water for domestic and irrigation purposes or for irrigation purposes only. For apartment houses, boarding houses

and residences housing more than one family the regular rate will apply for the "normal monthly consumption of each such customer" in lieu of the first 500 cubic feet. The normal monthly consumption shall be determined by taking the average consumption of water for the seven preceding nonirrigation months.

	Per Month
First 500 (or exception above) cu. ft.....	Regular meter rate
Next 10,500 cu. ft., per 100 cu. ft. ....	\$0.10
Excess over 20,000 cu. ft., per 100 cu. ft. ....	.08

#### Minimum Charge, All Metered Service

According to the size of consumer's service pipe (from main to meter) and of meter employed:

Size of Service Pipe	Size of Meter Corresponding	Minimum Charge Per Month
$\frac{1}{2}$ inch	$\frac{1}{2}$ inch	\$1.20
1 inch	$\frac{3}{4}$ inch	1.60
1 $\frac{1}{4}$ inch	1 inch	2.00
1 $\frac{1}{2}$ inch	1 $\frac{1}{2}$ inch	2.75
2 inch	2 inch	3.50
3 inch	3 inch	5.00
4 inch	4 inch	7.00

If size of meter employed does not correspond with the size of pipe as per above table, apply whichever minimum is the lowest. All new installations will conform to the above requirements.

#### Flat Rate, Fire Protection

Private connection, with sealed gates, or thermal automatic openings:

	Per Month
1 $\frac{1}{2}$ inch or less .....	\$1.50
2 inch .....	2.00
3 inch .....	3.50
4 inch .....	5.00

#### Flat Rate, Municipal Service

First 65 hydrants or less .....	\$275.00
Each additional hydrant on future extension of main.....	2.00
Each additional hydrant on mains now existing, per hydrant..	.50

The hydrant as specified in the above rate will consist of at least two standard openings for fire hose (or larger equivalent opening for pumping engine). Two-inch standpipes with single hose connections will be considered as equivalent to one-half hydrant.

#### TEMPORARY SERVICE

Electric and water rates previously quoted are on the basis of twelve months per year. Service for lesser periods will be given at above rates, but actual cost of connection and disconnection will be paid in advance, 10 per cent of such cost to be credited on each monthly bill, after the third month (fourth to twelfth, inclusive).

#### ORDER

Based upon the foregoing findings and conclusion and upon the entire record herein the Commission now makes and files its order as follows, to wit:

IT IS HEREBY ORDERED that the applicant, Douglas County Light & Water Company, be, and it hereby is, authorized and permitted to substitute, charge, impose and collect, in lieu of its corresponding present rates and charges, the just, reasonable and not unjustly discriminatory or unduly preferential maximum rates and charges hereinbefore set out.

IT IS FURTHER ORDERED that this order shall become effective as of the applicant's next meter reading date, July 23, 1920, except as hereinbefore specifically otherwise provided, and that on or before said date the said Douglas County Light & Water Company shall file with this Commission, as required by law and the rules of this Commission, a tariff setting forth such new rates and charges as may be established under the provisions hereof and that said applicant shall do and perform all things that may be necessary to comply with the full spirit and intent of this order.

In the matter of the application of the INDEPENDENCE  
TELEPHONE COMPANY for authority to increase its  
rates. } U-F-277

ORDER ENTERED JULY 15, 1920—P. S. C. ORDER NO. 616

#### ORDER

Written notice of the time and place of hearing as fixed by the Commission was served in the manner and form prescribed by the rules and regulations of said Commission as directed by law, as shown by the files herein, and pursuant thereto a public hearing was held on the above numbered application of the Independence Telephone Company at the City Hall, Independence, Polk County, Oregon, at 1:30 p. m. on the fifth day of May, 1920, before the Public Service Commission.

#### STATEMENT

The application shows that the Independence Telephone Company owns and operates a common battery telephone system at Independence and a magneto telephone system at Monmouth, and has for a number of years, and alleges that an increase in rates is necessary by reason of the rise in the wages of operators, linemen and cost of material, and that such an increase is necessary in order to pay the actual cost of operations, provide for depreciation and a reasonable earning on the capital invested.

There is now and always has been since the establishment of phones a free interchange between the two towns of Monmouth and Independence. The town of Independence, by its municipal officers, filed an objection to the increase in rates, their principal contention being poor and inefficient phone service.

A thorough inspection was made of the telephone system both as to the physical conditions and the service afforded. The appraisal of the applicant's property submitted by its engineer, in accordance with the demands of the Commission, carefully and comprehensively checked by the Commission's engineer and a separate report submitted by the latter. Owing to different methods of assembling the two reports a comparison of the individual items and accounts can not readily be made.

#### FINDINGS

Being fully advised in the premises, and after full consideration of the testimony and record herein, the Commission makes its findings, as follows:

##### I

That the Independence Telephone Company is a corporation, organized and existing under the laws of Oregon, and a public utility as defined in Chapter 279 of the General Laws of Oregon for 1911, owning, operating and controlling exchanges in Independence and Monmouth, in the County of Polk, State of Oregon.

##### II

That the authorized capital of the applicant is \$20,000, of which \$4,700 is outstanding, bonds outstanding to the amount of \$9,850, bearing interest at the rate of 6 per cent per annum, and a note for \$2,060, bearing interest at the rate of 6 per cent.

##### III

The utility upon complaint of the farmer line subscribers should make such reasonable tests of its facilities as will permit of fixing the responsibility for impaired service, keep a record thereof and report the result in writing to the complainant.

##### IV

That in the absence of a fully qualified commercial representative, stationed at either of these exchanges, such complaints as may arise in connection with the operation of a utility of this character should be promptly transmitted to the manager's office at Dallas.

## V

That the company's books should be kept in such manner as will show the original cost of its property with the average weighted prices applied so as to approximate as closely as practical the actual judicious investment in the utility. The total of the reproduction cost new of this utility, after deducting \$3,500, covering the cost of a new switchboard, will be \$29,389.

## VI

There is a difference of some \$3,479 between the appraisals of the applicant's and Commission's engineers which appears to exist mainly in the amounts commonly known as overhead expenses, which includes such items as interest, engineering and superintendence, legal or other general expenses, and taxes and contingencies during the construction period. It is our judgment that about 16 per cent is sufficient allowance for these so-called overhead expenses.

## VII

That upon the above basis the Commission finds that reproduction cost new as of December 31, 1919, of the property used and useful of the telephone utility at Independence was \$21,389, and at Monmouth \$8,000. Considering all factors of value, including working capital in cash, stores and supplies, and the cost of developing the business, the Commission finds that the value of this utility for rate making purposes only, as of December 31, 1919, is \$32,000.

## VIII

That the statements of revenues and expenses for the calendar year 1919 submitted in evidence reveal an actual deficit in meeting current expenses without regard to return on investment; that there has been a considerable increase in wages for both operators and linemen, and an increase in cost of materials; that the utility can not properly maintain its system and render adequate service to its patrons if its receipts are insufficient to meet operating costs, including the prevailing scale of wages; that a public utility can not obtain money to make extensions to its plant and afford additional service if its credit is impaired by lack of revenue.

## IX

That it is necessary for this company to charge periodically to operating expenses an amount covering the depreciation accruing on plant and equipment, and, concurrently, credit the depreciation reserve. It will, therefore, be necessary to create a depreciation fund account; that this fund must be kept separate as it has for its primary object the replacement of wornout plant and must be so used whenever required; such funds may be invested in extensions and betterments to plant or in interest bearing securities as loans to be restored to the fund, until required for its primary purpose of plant replacement, and the income from same whether invested in plant extensions or in securities must be in the net amount of at least 4 per cent annually on the total balance of the depreciation reserve account. It should then be charged to the depreciation sinking fund and credited to the reserve account and thus the interest money becomes a part thereof. Proper allowance has been made in this order for such depreciation.

## X

That as hereinbefore indicated the present revenues of this company are inadequate to meet the actual operating expenses, including accrued depreciation, taxes and return on the money invested, and the present rates are found to be unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to require efficient service.

## XI

That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Independence Telephone Company in Independence and Monmouth for efficient service in lieu of those now in force are as named below:

INDEPENDENCE		Wall Set *
Unlimited Business Service		Rate per Month
One-party line .....		\$3.50
Two-party line .....		3.00
Ten-party suburban line .....		3.00
Extension with bell .....		.90
Extension without bell .....		.75
Extension bell only .....		.15

\* For desk set, add 25 cents per month to above rates.

<i>Unlimited Residence Service</i>	<i>Wall Set * Rate per Month</i>
One-party line .....	\$ 2.00
Two-party line .....	1.75
Four-party line .....	1.50
Ten-party line (suburban) .....	1.75
Extension with bell .....	.65
Extension without bell .....	.50
Extension bell only .....	.15

## MONMOUTH

<i>Unlimited Business Service</i>	
One-party line .....	2.75
Two-party line .....	2.25
Ten-party line (suburban) .....	2.25
Extension with bell .....	.90
Extension without bell .....	.75
Extension bell only .....	.15

<i>Unlimited Residence Service</i>	
One-party line .....	2.00
Two-party line .....	1.75
Four-party line .....	1.50
Ten-party suburban line .....	1.75
Extension with bell .....	.65
Extension without bell .....	.50
Extension bell only .....	.15

\* For desk set, add 25 cents per month to above rates.

## RURAL SERVICE

Farmer line switching, per subscriber .....	.50
Minimum charge per line .....	3.00
Rent magneto wall telephone (to utility for use of) .....	.25

## Toll

For the purpose of brevity and to be definite and certain Independence and Monmouth will be called group 1 and Dallas and Falls City group 2. Between stations in group 1 and stations in group 2, a rate of 10 cents for the first three minutes and 5 cents for each additional three minutes will be charged.

(1) Telephone exchange accounts shall be paid monthly in advance, except as otherwise hereinafter provided, and unless paid within fifteen days after mailing of written notice subscribers are subject to discontinuance of service.

(2) Each farmer line shall be treated as a unit in the matter of collection of accounts for exchange service and shall be responsible for delinquents. All accounts shall be due and payable in equal semiannual instalments on or before January 15 and July 15 of each year. To facilitate the collection of accounts from members of the several farmer lines it is recommended that each line appoint a secretary or treasurer or other officer whose duty will be to make these collections and account for same; further that each line discontinue service to any one of its members on its own line for nonpayment of account.

(3) That in connection with the free interexchange of service between Independence and Monmouth exchanges the utility shall be permitted, if it so desires, to limit each conversation to a three-minute period without charge, with a charge of 10 cents for each additional three minutes or fraction thereof beyond such initial period.

## ORDER

Based on the foregoing findings and the record herein the Commission makes and enters its order as follows:

IT IS ORDERED that the applicant, the Independence Telephone Company, be, and it is hereby, authorized to adopt and make effective on the date herein specified the rates, rules and regulations hereinbefore set out in the findings as fair, reasonable and not unjustly discriminatory to be applied in lieu of those now in force, found to be unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis for adequate service, and in order to be definite and certain the above findings are hereby adopted and by this reference made a part of this order.

This order shall be and become effective the fifteenth day of July, 1920, and within ten days thereafter the applicant shall publish and file in the manner and form prescribed by law and the regulations of this Commission a tariff setting forth the rates authorized herein, and IT IS SO ORDERED.

In the matter of the application of Coos & Curry Telephone Company for authority to increase certain telephone rentals at its Marshfield and North Bend exchanges, to discontinue the allowance of discounts upon telephone rentals and increase its charge for private or farmer line telephone connections. } U-F-287

ORDER ENTERED JULY 15, 1920—P. S. C. ORDER NO. 617

#### ORDER

Now at this time comes on for final determination and order the above entitled matter, and it appearing from the record hereof that a hearing and investigation on said application was held by the Public Service Commission of the State of Oregon, on the fifteenth day of April, 1920, in the City Hall, Marshfield, Oregon, at the hour of 9 a. m., due and legal notice of the time and place of said hearing having been given to all interested parties as shown by the files herein.

#### STATEMENT

That the Coos & Curry Telephone Company is a corporation duly organized and existing under the laws of the State of Oregon, and conducts and operates a telephone business in Coos, Curry and a portion of Douglas counties, Oregon. Its principal office and place of business is Marshfield, Coos County, Oregon, and it is a public utility engaged in the ownership, management, operation and control of telephone lines for the conveyance of telegraph and telephone messages, and as such utility is subject to the provisions of Chapter 279 of the General Laws of Oregon for the year 1911.

The system operated by this company consists of eight central office exchanges located in Coos, Curry and Douglas counties, with lines interconnecting these cities with the principal cities of the aforementioned counties, together with the outlying section of said counties by means of its rural lines, and other lines owned and maintained by the farmers.

The Commission has not fully completed its final determination of the valuation of this utility, yet it has sufficiently investigated its plant and equipment to state that the rates herein determined will not produce an unreasonable return out of proportion to the investment.

The operating expenses for the year ending December 31, 1919, amounted to \$65,703.35, and the estimated operating expenses for the year ending December 31, 1920, based on the operating expenses for the first three months of said year would amount to the sum of \$76,597.03, or an increase over the preceding year of \$10,893.68. The operating revenue for the year 1919, as shown by the records and checked by the Commission was in the sum of \$92,978.73, and the estimated operating revenue for the year 1920, based on the revenues for the first three months of said year under the proposed increase in rates would amount to \$100,904.79, or an increase over the year 1919 of \$7,926.79.

The utility is now allowing a 5 per cent discount to all subscribers upon their telephone rentals at Marshfield and North Bend, if such bills are paid on or before the fifteenth day of each and every month in advance. This practice we believe for economic reasons should be discontinued and eliminated. All bills should be settled promptly in advance on or before the fifteenth of each and every month under penalty of disconnection for failure so to do rather than by the offer of a premium.

#### FINDINGS

That the present rates of the utility are inadequate and insufficient and below the schedule of rates charged by other telephone companies similarly situated in this State for the company to maintain service and provide for depreciation and a return upon its investment, and are likewise unreasonable, unfair and unjustly discriminatory, and the following rates, rules and regulations are reasonable, fair and not discriminatory, and should be imposed in lieu of those now in force and effect:



	Wall Per Month	Desk Per Month
<b>Marshfield</b>		
1-party business .....	\$4.00	\$4.25
2-party business .....	3.50	3.75
4-party business .....	3.25	3.50
Suburban business .....	4.00	4.25
Farmer line service .....	.75	.75
<b>North Bend</b>		
1-party business .....	\$4.00	\$4.25
2-party business .....	3.50	3.75
4-party business .....	3.25	3.50
Suburban business .....	4.00	4.25
Farmer line service .....	.75	.75
<b>Bandon</b>		
Farmer line service .....	.75	.75
Suburban residence .....	1.75	2.00

In all exchanges on this system the rate for a desk type instrument shall not be more than 25 cents per month greater than the rate of a wall type instrument.

The rates for extension telephone in each exchange shall be as follows:

	Wall Per Month	Desk Per Month
<b>Business</b>		
Extension (without bell) .....	\$0.75	\$1.00
Extension (with bell) .....	.90	1.15
Bell only .....	.15	
<b>Residence</b>		
Extension (without bell) .....	.50	.75
Extension (with bell) .....	.65	.90
Bell only .....	.15	

(1) Telephone exchange accounts shall be paid monthly in advance, except as otherwise hereinafter provided, and unless paid within fifteen days after mailing of written notice subscribers are subject to discontinuance of service.

(2) Each farmer line shall be treated as a unit in the matter of collection of accounts for exchange service and shall be responsible for delinquencies. All accounts shall be due and payable in equal semiannual instalments on or before January 15 and July 15 of each year. (Note: To facilitate the collection of accounts from members of the several farmer lines it is recommended that each line appoint a secretary or treasurer or other officer whose duty will be to make these collections, and account for same; further, that each line discontinue service to any one of its members on its own line for nonpayment of account.

THEREFORE, IT IS HEREBY ORDERED that the Coos & Curry Telephone Company be, and the same hereby is, authorized to discontinue its present rates, rules and regulations pertaining to the service specified in the above schedule found to be inadequate and noncompensatory, and to substitute in lieu thereof the schedule hereinabove set forth found to be just, reasonable and not unjustly discriminatory.

IT IS FURTHER ORDERED that the discount of 5 per cent heretofore allowed on all accounts for telephone service rendered that shall be paid on or before the fifteenth day of each and every month following due date shall be discontinued and eliminated from the date hereof, and that all accounts shall be due and payable in advance on or before the fifteenth day of each and every month, and such subscribers as shall be delinquent in payment may be discontinued by the company.

AND IT IS FURTHER ORDERED that the rates so authorized shall be considered as maximum rates for the service specified and nothing herein shall be construed as preventing the utility from filing additional rates, rules and regulations as occasion may require for service not so specified and not in conflict with the intent of this or other orders, rules or regulations prescribed by this Commission, and further provided that they do not introduce unjust discriminations between individual subscribers or classes of subscribers.

AND IT IS FURTHER ORDERED that immediately upon the establishment of the rates herein authorized, the applicant shall file according to law and the rules of the Commission a tariff containing the rates so established together with all other rates, rules and regulations applicable to the service, and shall cause a copy of that tariff to be posted in a conspicuous place in its main offices and easily accessible for public reference.

This order shall become effective on and after the first day of August, 1920.

In the matter of the headon collision between trains Nos. } R-3069  
107 and 124, at Bertha Station, Oregon.

ORDER ENTERED JULY 28, 1920—P. S. C. ORDER NO. 624

This is a matter before the Commission on its own motion, for the purpose of determining and investigating the sufficiency of service and facilities and the efficiency of equipment of the Southern Pacific Company now in force and effect to the end that such suitable action may be taken as may be meet and proper in the premises.

After due notice to all interested parties, the above entitled matter came on regularly for hearing and investigation before the Commission at its office, 252 Courthouse, Portland, Oregon, at the hour of 10 o'clock a. m., on the twenty-fourth day of May, 1920, at which time and place testimony was taken and the matter fully submitted.

#### STATEMENT

Headon collision occurred between train No. 107 and No. 124 of the Southern Pacific Company at a point approximately one-half of a mile east of Bertha Station, Multnomah County, Oregon, at 10:25 a. m., May 9, 1920, resulting in injury to a large number of persons, both passengers and trainmen, nine being fatal.

Immediately after the occurrence, investigation of the accident was begun on the ground by the chairman and inspector of this Commission, together with representation from the Bureau of Safety of the Interstate Commerce Commission.

On the tenth day of May, 1920, the Commission accompanied the members of the Board of Inquiry of the Southern Pacific Company to the scene of the wreck and participated in the investigation and hearing held by said board, which included the taking of testimony of members of the train crews, and passengers from the wrecked trains, and others; making test runs at various rates of speed over the tracks in the vicinity of said wreck; testing out the efficiency of air brakes and different mechanical and electrical appliances and equipment of the motors and cars operating over said line.

And again, on the eleventh day of May, 1920, the Commission sat in joint session with the Coroner of Multnomah County, Oregon, and the Bureau of Safety of the Interstate Commerce Commission, at the coroner's inquest held over the bodies of the deceased victims of said wreck.

Testimony and exhibits offered and received, both at the company inquiry and investigation and at the joint hearing before the Coroner of Multnomah County, have been given full consideration.

The coroner's jury returned the following verdict:

"We, the undersigned jurors, find that these deaths were caused by a headon collision of the Southern Pacific trains Nos. 107, 124, which collision was caused by failure of train crew of train 124 to execute orders. That it is further found that Engineer Willett of train 124 was rendered mentally or physically, or both, incapacitated by some unknown cause prior to reaching the clearance of the siding up to the time of the collision."

The Commission having entered into joint hearing with the Coroner of Multnomah County, will, in so far as the fixing of the responsibility for the wreck is concerned, abide by the verdict rendered by that body.

The accident occurred approximately one-half mile east of Bertha Station, Oregon, upon an electrically operated west side branch of the Portland division of the Southern Pacific Company, extending from Portland to Corvallis, via Hillsboro.

This branch is a single track line, with twelve curves greater than five degrees between Portland (Hooker Street) and Hillsboro (Main Street Station), a distance of twenty miles, the curvature varying between five and eleven degrees, and the gradient from level to 1.7 per cent. In this distance there are five sidings or passing tracks and five spur tracks which may be used for such purposes. A company office, from which orders can be issued or received, is maintained at Reedsville, fifteen and one-half miles from Portland. There are no block signals.

The trains are electrically operated motors, steel construction and equipped with the so-called "deadman's" control. Between Portland and Reedsville there are ten regularly scheduled passenger trains in each direction daily, carrying on an average approximately 2,000 persons. It is not unreasonable to assume

that single trains, at the peak periods of the day, would have on board some 200 or more persons. The average scheduled speed of trains approximates twenty-four miles per hour, which naturally is greatly exceeded at times.

In view of all the circumstances surrounding this accident, it is not only questionable but very unlikely that block signals would have prevented this particular collision; however, it is conceded by all that automatic block signals, generally, act as an additional safeguard to train operation, and, therefore, after full consideration of the record, and the topography of the ground over which this line runs, its curvature, the gradient, speed of trains, and the density of traffic, **IT IS RECOMMENDED** that the Southern Pacific Company, within a reasonable period of time, install and maintain a block signal system on that portion of this line lying between Portland and Reedsville.

Considerable testimony was taken as to the advisability of requiring the issuance of train orders in triplicate and the deliverance of the third copy to the brakeman. The preponderance of the evidence submitted was more or less unfavorable to this requirement, principally for the reasons that the "division of responsibility" (through the possession of an order) might tend to invite carelessness; further, that the orders were now read to the brakeman by conductors and clear understanding arrived at.

In the particular case before us the conductor claims to have read the meet order to his brakeman; however, this the brakeman flatly denies, and in the absence of corroborating testimony the Commission is unable to determine the fact. Both were responsible for the safety of the train, and authorized by rule to cause emergency stop upon passing the point of clearance where meet was to occur.

While the Commission concedes that the question of the issuance of a third order is debatable, it appears that in this instance, at least, a purpose would have been served. Consequently, we believe sufficient reason exists to recommend that the Southern Pacific Company take such action as will bring this point before the proper officials for further investigation and that the results of such study be transmitted to this Commission for our further enlightenment.

From the record, it appears that meet signal on train 124 had been properly made and answered, that passengers were taken on at Bertha Station and signal to proceed regularly given, nor is it unreasonable to assume that the conductor might have thereafter proceeded to the collection of fares.

Among the company's rules governing train operation the following appears:

Rule 813. "The general direction and government of a train is vested in the conductor and all persons employed on the train will obey his instructions" \* \* \* (conductors will) "conform to the instructions issued by the traffic and accounting departments."

Rule 817. "Conductors must not allow other duties to interfere with the proper protection of their trains."

Rule 16 has a footnote appended as follows: "When a passenger train approaches a station at which it is to stop for an opposing train, the conductor must give one short blast of the air whistle immediately after passing the station whistling post, which the engineman must acknowledge by two short blasts of the steam whistle."

The testimony in this case indicated that an accounting department rule requires the collection of tickets (fares) immediately after leaving each station, and in so far as we are advised there is an absence of specific rule governing the movement of conductor from the time the engineman is signaled for the approaching meet until the opposing train has been safely met and passed.

The actions of conductors on trains approaching meeting points appear to the Commission of such importance as to warrant the requirement that a specific rule, superseding all others, govern the position and duty of conductors under such circumstances. **IT IS, THEREFORE, RECOMMENDED** that such rule, embodying substantially the following requirements, be made effective:

That, from the time the conductor signals the engineman until opposing train is safely met and passed, conductor shall cease the collection of tickets (fares) and take such position as will best enable him to see and identify opposing train; shall devote his time during this interim exclusively to the safety of train operation, and that penalty for infraction of the rule be provided.

Within sixty days of the date hereof the Southern Pacific Company shall file with this Commission a statement, indicating such action as is taken, or contemplated, with reference to the foregoing recommendations.

In the matter of the application of the **DIRECTOR GENERAL OF RAILROADS and OREGON-WASHINGTON RAILROAD & NAVIGATION COMPANY** for authority to discontinue the maintenance of an agency at Corbett Station, Multnomah County, Oregon. } F-869

ORDER ENTERED JULY 29, 1920—P. S. C. ORDER NO. 625

#### ORDER

This is a matter before the Commission on the application of the Oregon-Washington Railroad and Navigation Company for authority to discontinue the maintenance of an agency station at Corbett, Multnomah County, Oregon.

After due and legal notice to all interested parties the above entitled matter came on regularly for hearing and investigation before the Commission in the railroad station, Corbett, Multnomah County, Oregon, on the twenty-ninth day of June, 1920, at the hour of 2 o'clock p. m., at which time and place testimony was taken and all interested parties heard.

#### STATEMENT

The Oregon-Washington Railroad & Navigation Company is a corporation organized and existing under and by virtue of the laws of the State of Oregon and is a common carrier engaged in the intrastate transportation of property within the State of Oregon, and is a common carrier of passengers within such state.

Corbett Station is located directly on the bank of the Columbia River on the main line of the Oregon-Washington Railroad & Navigation Company, about twenty miles east of Portland, in Multnomah County, Oregon. It is a small village consisting of three or four stores and a few dwelling houses and has a very scant population. Up to the time of the construction of the Columbia River Highway the town was located near the depot but since that time a greater part of the business center has been moved farther up on the mountain-side, about a mile distant on the Columbia River Highway.

At the present time, besides the railroad, there are two other means of transportation to and from Corbett, namely: automobile and auto truck lines, and a boat line, both of which carry passengers and freight and make frequent trips, and because of their convenience are patronized very extensively by the residents and habitants of Corbett. The latest Oregon-Washington Railroad & Navigation Company schedule shows that there are two trains daily stopping at Corbett.

From exhibits, taken from the books of the company, introduced at the hearing, it was shown that the operation of Corbett as an agency station has been and now is conducted at a loss to the company.

#### FINDINGS

From a full consideration of the facts and of the entire record herein the Commission makes the following findings:

That sufficient public necessity does not exist to warrant the maintenance of an agency by the Oregon-Washington Railroad & Navigation Company at the station of Corbett, and that the application on file herein should be granted and the right and authority given to the said company to discontinue the maintenance of an agency at said point; provided, however, that the said company should be required to care for the business transacted at its said station of Corbett with reasonable dispatch, and that the said station be required to open for the accommodation of patrons before the arrival and leaving time of such trains as are scheduled to stop at said station, in order to avoid the necessity of passengers waiting without shelter during inclement weather.

#### ORDER

Therefore, based on the foregoing findings and the record herein,

IT IS HEREBY ORDERED that the application of the Oregon-Washington Railroad & Navigation Company herein be, and it hereby is, in all things granted, and the right and authority given to said company to discontinue the maintenance of an agency station at Corbett, Multnomah County, Oregon.

PROVIDED, HOWEVER, that said company shall care for the business transacted at its said station of Corbett with reasonable dispatch, and that the said station be kept open for the accommodation of patrons before the arrival and leaving of such trains as are scheduled to stop at said station.

In the matter of the application of the NEWBERG TELE-  
PHONE COMPANY for authority to increase rates. } U-F-279

ORDER ENTERED JULY 31, 1920—P. S. C. ORDER NO. 626

#### ORDER

Written notice of the time and place of hearing as fixed by the Commission was served in the manner and form prescribed by the rules and regulations of the Commission as directed by law, upon the City of Newberg, and notice published in the Graphic, a weekly newspaper published in the said city, as shown by the files herein, and pursuant thereto public hearing was held on the above numbered application of the Newberg Telephone Company, a corporation, at the City Hall in Newberg, Yamhill County, Oregon, Monday, May 10, 1920, at 1:30 p. m.

Newberg is a town of about 3,000 or 4,000 people and the commercial center of a very large and prosperous farming and lumber manufacturing community. There are 897 subscriber stations connected to the exchange of this utility, of which 231 are farmer line stations. This is a considerable increase over 1918.

The Commission finds that the suburban line rate has been graduated according to the distance of the subscriber from the city limits. As this rate plan is not an inequitable one, and the subscribers are adapted to its use, it will be continued in the rates hereinafter prescribed.

#### FINDINGS

Being fully advised in the premises after a full consideration of the testimony and record herein, the Commission makes its findings as follows:

1. That the Newberg Telephone Company is a corporation organized and existing under the laws of the State of Oregon, is a public utility as defined in Chapter 279 of the General Laws of Oregon for 1911, owning and operating an exchange in the City of Newberg, Yamhill County, Oregon, and controlling and maintaining lines in that city and community, and furnishing local and long distance exchange service as generally defined by such terms.

2. That the authorized capital of the applicant is \$25,000, of which \$15,200 is outstanding, with a funded debt represented by one note of \$4,000 drawing interest at the rate of 7 per cent per annum secured by a mortgage on the property, and a renewed note of \$400 bearing interest at the rate of 8 per cent per annum, both of which notes are outstanding and unpaid.

3. That based upon the average prices weighted so as to approximate as closely as possible the amount of money prudently invested, and by using actual cost, wherever possible, the reproduction cost new as of December 31, 1919, of the fixed capital of this telephone utility is \$49,102 and the reproduction cost new less depreciation under the same conditions and computed upon a straight line basis is \$36,481.

4. In addition to fixed capital, working capital must be available either as cash or material and supplies, and including development cost and all factors and elements of value, the Commission finds that the value for rate making purposes only on December 31, 1919, was \$51,542.

5. That a comparison of income statements of revenues and expenses for the calendar years of 1917, 1918 and 1919, submitted in evidence will disclose a deficit in meeting the current expenses without regard to return on investment; that there has been a considerable increase in wages to both operators and line-men and increase in the cost of materials; that the utility can not properly maintain its system and render adequate service to its patrons if its receipts are insufficient to meet operating costs including the prevailing scale of wages, and can not obtain money to make extensions to its plants and afford additional and efficient service, if its credit is impaired by lack of revenue.

6. That the amount of depreciation allowance heretofore found as properly applicable to operations shall be concurrently credited to the depreciation reserve. There shall also be concurrently withdrawn from cash, or equivalent source, and placed in the depreciation fund an amount equal to the net monthly credit to the reserve, and the moneys in this fund shall be expended in accordance with Section 17 of the Public Utility act. Final withdrawals from this fund for replacements may be made only in the amount of the actual accrual upon plant item retired. All other withdrawals shall be considered as loans from the fund, and interest thereon shall be paid to the fund in such amount that the total interest additions to the fund shall equal not less than 4 per cent per annum

upon all moneys in the fund not permanently withdrawn. The depreciation reserve account shall be credited for the amounts charged to the depreciation fund for such interest accruals.

7. That as heretofore indicated the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes and return on money invested; therefore the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Newberg Telephone Company in Newberg and vicinity for efficient service in lieu of those now in force are as named below:

<i>Unlimited Business Service</i>	<i>Wall Set * Per Month</i>
One-party line .....	\$3.25
Two-party line .....	2.75
Ten-party suburban line, within one mile of primary rate area.....	2.00
Ten-party suburban line, each additional mile or fraction thereof....	.25
Extension, with bell .....	.90
Extension, without bell .....	.75
Extension bell only .....	.15
<i>Intercommunicating Service</i>	
First both-way trunk .....	5.00
Each additional both-way trunk .....	3.75
Receiving station:	
With 10-line switching device .....	1.50
With 20-line switching device .....	1.75
Each other station:	
With 10-line switching device .....	1.00
With 20-line switching device .....	1.25
<i>Unlimited Residence Service</i>	
One-party line .....	\$2.00
Two-party line .....	1.75
Four-party line .....	1.50
Ten-party suburban line, within one mile of primary rate area.....	1.50
Ten-party suburban line, each additional mile, or fraction thereof....	.25
Extension, with bell .....	.65
Extension, without bell .....	.50
Extension bell only .....	.15

\* For desk set add 25 cents to rates named.

#### *Rural Switching Service*

Where subscribers own and maintain all magneto equipment beyond primary rate area:

Per subscriber .....	\$0.50
Minimum charge per line .....	3.00
Rent of instrument .....	.25
Additional for supply of central energy service on lines now so supplied (this service will not be extended to new lines).....	.25

#### *Mileage Rates, for Service Outside of Primary Rate Area*

One-party line, including trunk lines and power circuits for private branch exchanges and intercommunicating systems, per line for each quarter mile or fraction thereof .....	\$0.50
Two-party line, per station, for each quarter mile or fraction.....	.35
Four-party line, per station, for each quarter mile or fraction.....	.25

(3) That in connection with the free interexchange of service between Newberg and St. Paul, respectively, this utility shall be permitted, if it so desires, to limit the free conversation to a three-minute period without charge, with a charge of 10c for each additional three minutes or fraction thereof beyond such initial period. Between Newberg and Dayton and Newberg and Scholls a toll rate of 5c for the first five minutes and 5c for each additional three minutes or fraction thereof may be charged.

#### ORDER

Based on the foregoing findings and entire record herein the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the Newberg Telephone Company, of Newberg, Oregon, be, and it is hereby, authorized to adopt and make effective on the date herein specified the rates, rules and regulations hereinbefore in the findings set out, as fair, reasonable, and not unjustly discriminatory, in lieu of those now in force and effect, found to be insufficient, unreasonable, in-

adequate and unjustly discriminatory, and not such as to furnish a basis for adequate service, and for brevity and in order to make more definite and certain the above and foregoing findings are hereby adopted and by this reference made a part of this order.

PROVIDED, HOWEVER, that the rates thus herein fixed shall be considered the maximum rates for the classes and kinds of service specified, and nothing herein shall be construed as to prevent the utility from making reductions therein or from filing additional rates, rules and regulations for service not specified, providing they did not result in unjust discrimination between subscribers, classes of service or localities in conflict with the intent of this order or other rules and regulations of this Commission.

This order shall be and become effective the first day of August, 1920, and within ten days thereafter the applicant shall publish and file in the manner and form prescribed by law and the rules and regulations of this Commission a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

In the matter of the application of the DAMASCUS TELEPHONE COMPANY for authority to increase rates. } U-F-290

ORDER ENTERED JULY 31, 1920—P. S. C. ORDER NO. 628

#### ORDER

This matter is before the Commission upon the application of the Damascus Telephone Company, requesting authority to increase rates for telephone service furnished by it. After due and legal notice to all interested parties, the matter came on regularly for public hearing and investigation before the Commission in the village of Damascus on Tuesday, the eighteenth day of May, 1920, at the hour of 2 o'clock p. m., at which time and place all interested parties were afforded an opportunity to be heard.

#### FINDINGS

1. The applicant, Damascus Telephone Company, is an Oregon corporation organized February 20, 1909, and engaged in the ownership, management, operation and control of a telephone system for the transmission of messages to and for the public generally, and, as such, is a public utility and subject to the provisions of Chapter 279 of the General Laws of Oregon for 1911.

Said applicant furnishes telephone service at Damascus and the surrounding community in Clackamas County, giving service to approximately 92 subscribers, the most of whom are engaged in farming. Connection is also maintained with exchanges in Gresham, Sunnyside and Oregon City, for which service no additional charge is made at present.

3. Said company was organized originally as a mutual company, in which all subscribers were required to be stockholders, but since 1915 a number of nonstockholders have been and are now being afforded telephone service.

5. . . . . Reproduction cost new of the system as of January 1, 1920, is found to be \$6,235. The accrued depreciation as of same date was \$1,972. In addition to the preceding valuation, an allowance of \$350 is found necessary to cover material and supplies and cash working capital and cost of developing the business.

8. Notwithstanding that considerable of the original construction of this plant was done without recompense by the stockholders and current repairs are performed by a patron at wages below the usual scale, the annual revenue has been inadequate to defray operating expenses and provide a reserve for accruing depreciation, aside from any consideration of a return on the investment. Applicant states, however, that owing to the nature of the community it would necessitate prohibitive rates to provide any return, and all that is desired are rates sufficient to cover all current expenses. For the present plant the sum of \$284 on a sinking fund basis is found necessary to provide for current deterioration. Approximately one-fourth of the poles require replacement at an early date, and the increased revenue is necessitated in order that there may be no impairment of the service.

11. In light of the preceding and other facts of record, the present rates of this company are found to be unreasonable, inadequate and unjustly discriminatory, and not such as to insure continued stability of service.

12. Fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the applicant, Damascus Telephone Company, in lieu of those now in effect are found as below, viz:

<i>Unlimited Business Service</i>	<i>Wall Set * Per Month</i>
One-party line, within primary rate area**	\$2.75
Two-party line, within primary rate area**	2.50
Four-party line, within primary rate area**	2.25
Ten-party rural line	2.25
Extension, with bell	.90
Extension, without bell	.75
Extension bell only	.15
<i>Unlimited Residence Service</i>	
One-party line, within primary rate area**	\$2.00
Two-party line, within primary rate area**	1.75
Four-party line, within primary rate area**	1.50
Ten-party rural line	1.50
Extension, with bell	.65
Extension, without bell	.50
Extension bell only	.15

\* For desk set, add 25 cents per month to above named rates. \*\* Primary rate area shall be considered to be a circle of one-half mile radius, centering at the exchange.

All the above rates assume that the company shall own the telephone instruments. Where patrons own the instruments, a credit of 25 cents per month shall be allowed on the rates stipulated above.

#### ORDER

Based on the foregoing findings, the Commission now makes and enters its order as follows:

IT IS ORDERED that the applicant, the Damascus Telephone Company, be, and it hereby is, authorized to discontinue the rates hereinbefore found to be insufficient, unreasonable, inadequate and unjustly discriminatory, and to apply in lieu thereof the rates, rules and regulations set out in the findings hereto as fair, reasonable and not unjustly discriminatory.

This order shall become effective August 1, 1920, and within ten days thereafter the applicant shall publish and file in the manner and form prescribed by law and the regulations of this Commission a tariff setting forth the rates herein stipulated.

In the matter of the application of C. A. BRADFORD'S } U-F-288  
TELEPHONE LINES for authority to increase rates.

ORDER ENTERED JULY 31, 1920—P. S. C. ORDER NO. 629

#### ORDER

This is a matter before the Commission upon the application of the C. A. Bradford Telephone Lines for authority to increase rates throughout the territory served by his telephone lines in Grant County, Oregon.

After due and legal notice to all interested parties, the above entitled matter came on regularly for hearing and investigation in the City Hall, Prairie City, Oregon, on Monday, the seventeenth day of May, 1920, at the hour of 2 o'clock p. m., at which time and place testimony was taken and all interested parties heard.

Prior to the date of hearing, a petition, signed by eighteen subscribers of said telephone system, together with a letter signed by the Mayor and members of the City Council of Prairie City, was presented to the Commission for consideration, wherein it was alleged that the hours and character of service rendered by said utility were very unsatisfactory, but that the petitioners were not adverse to paying higher rates if the service warranted same.



It appears that C. A. Bradford is the sole owner of the C. A. Bradford Telephone Lines; that the principal place of business and central exchange office is located at Prairie City, Oregon, and that said telephone system is a public utility engaged in the ownership, management and operation of local telephone lines for the conveyance of telephone and telegraph messages, and as such public utility is subject to the provisions of Chapter 279 of the General Laws of Oregon for the year 1911.

That the system operated by said utility consists of one central exchange at Prairie City, Oregon, which is connected with the lines throughout the city and country adjacent.

That the service rendered by said utility is inadequate for the demands of the community which it serves, causing undue inconvenience and dissatisfaction to the patrons of said utility; that the telephone exchange is so located in a confectionery store as to permit the public to hear telephone communications that are often of a private or personal nature.

Testimony shows that there is approximately seventy miles of telephone line, with a total of but 115 subscribers. The lines within the town of Prairie originally cost approximately \$125 per mile to construct, while the rural lines cost approximately \$75 per mile. The telephone instruments on subscribers' premises cost approximately \$13 each at the time of installation. Entire line was constructed prior to the war, and reproduction of telephone line at present day costs would be far in excess of the estimated value placed on the property by applicant.

The estimated value of \$6,575 placed upon this property by the owner, manifestly, is not an excessive valuation, in view of the foregoing.

That the cost of telephone material, telephone equipment, labor and operators' wages necessary in the maintenance, operation and construction of said telephone system has greatly increased during the past five years, said increase being, in some instances, as high as 200 per cent; that the applicant, C. A. Bradford, received no salary or compensation for his services as manager, and that but one operator is employed at the central exchange, who receives far less than the minimum wage scale of \$13.20 per week as prescribed by the minimum wage board of this state.

Based upon the above statement and the entire record herein, the Commission finds that the present rates of applicant are inadequate, unjust and unreasonable and unjustly discriminatory, and are not sufficient to meet the cost of operation and other current expenses consequent upon the improvement of the system and to provide for a more efficient service.

That adequate, reasonable, just and not unjustly discriminatory rates and charges for the applicant to charge, impose and collect in the future are as follows:

<i>Business Service</i>	<i>Wall Set Monthly Rate</i>
One-party line .....	\$2.75
Two-party line .....	2.25
Extension, without bell .....	.75
Extension, with bell .....	.90
Desk phone (additional) .....	.25
 <i>Residence Service and Farmer Lines</i>	
One-party line .....	2.25
Two-party line .....	2.00
Four-party line .....	1.75
Extension, without bell .....	.50
Extension, with bell .....	.65
Desk phone (additional) .....	.25

That the exchange board at Prairie City, Oregon, is located in a public place and within convenient hearing distance of all those who might frequent said place, and that same should be partitioned off from the store proper in such manner as will permit the private transmission and reception of telephone and telegraph messages; that the present hours of service are inadequate to meet the demands of the subscribers and patrons of said utility, and that the following hours of service should be put into effect:

From 7 a. m. to 10 p. m. on week days.

From 8 a. m. to 11:30 a. m.; from 2:30 p. m. to 5:30 p. m. and from 6:30 p. m. to 8 p. m. on Sundays.

Based upon the above statement of facts and the findings herein:

IT IS HEREBY ORDERED that from and after the effective date of this order, the applicant, C. A. Bradford, of Prairie City, Oregon, shall cease and desist from following, imposing and collecting the rates and charges heretofore found to be unjust, unreasonable and discriminatory, and shall substitute in lieu thereof the adequate, just and reasonable and not unjustly discriminatory rates and charges hereinbefore set out; and that the hours of service heretofore existing and in practice shall be made to conform as hereinabove set forth; and

IT IS FURTHER ORDERED that the central exchange located in a certain store building in Prairie City, Oregon, operated by the applicant herein, shall be partitioned off from the store proper in such a manner as will permit the private transmission and receipt of telephone and telegraph messages.

PROVIDED, HOWEVER, that the rates thus authorized shall be considered the maximum rates for the classes of service specified, and nothing herein shall be construed as preventing the utility from making reductions therein or from filing additional rates, rules and regulations for service not specified therein, provided they do not result in unjust discrimination between individual subscribers, classes of service or localities or conflict with the intent of this and other orders or regulation prescribed by this Commission, and provided further that any such tariff changes are covered by amplified or amended tariffs filed with this Commission and posted for public inspection in the manner contemplated by the statutes and rules of this Commission.

This order shall become effective August 1, 1920, and applicant shall publish and file, in the manner provided by law and the rules of this Commission, a tariff consistent herewith.

In the matter of the application of the SHERWOOD TELE- } U-F-284  
PHONE COMPANY for authority to increase rates.

ORDER ENTERED AUGUST 7, 1920—P. S. C. ORDER NO. 630

#### ORDER

Written notice of the time and place of hearing as fixed by the Commission was served in the manner and form prescribed by the rules and regulations of said Commission as directed by law, as shown by the returns on file herein and pursuant thereto public hearing was held on the above numbered application of the Sherwood Telephone Company at the City Hall in Sherwood, Yamhill County, Oregon, at 11 a. m., May 10, 1920, before the Public Service Commission. It further appears that notice of hearing was published in the Tualatin Valley News, a weekly newspaper published at Sherwood, Oregon.

#### STATEMENT

The applicant alleges that the Sherwood Telephone Company is a corporation organized and existing under the laws of the State of Oregon, operating a magneto telephone system with exchange at Sherwood, Oregon, and a system of telephone lines in the City of Sherwood and community surrounding. It has about 240 stations, 60 of which are in town and 180 in the country surrounding. That Irving F. Lowd is the present manager, lessee and operator of the said exchange and lines which is owned by the Sherwood Telephone Company, successor in interest to the Sherwood Mutual Telephone Company which comprises a number of rural lines which have been in operation since 1904.

#### FINDINGS

Being fully advised in the premises after a full and complete consideration of the statement and record herein the Commission makes its findings as follows:

1. That the Sherwood Telephone Company is a corporation organized and existing under the laws of the State of Oregon and is a public utility as defined in Chapter 279 of the General Laws of Oregon for 1911, and owning and operating a telephone system and exchange in Sherwood, Oregon.

2. That the authorized capital stock of the Sherwood Telephone Company is \$5,000, of which \$2,200 is paid up and outstanding on the books of the company.

3. That the telephone system consisting of a central exchange located in Sherwood, Oregon, with a number of lines connected therewith inside the said town and farmers' lines in the communities surrounding, is operated and controlled under lease by Irving F. Lowd.

4. That based upon the average prices weighted so as to approximate as closely as possible the amount of money prudently invested, and by using actual cost, wherever possible, the reproduction cost new as of December 31, 1919, of the fixed capital of this telephone utility is \$15,927, and the reproduction cost new less depreciation under the same conditions and computed upon a straight line basis is \$11,707.

5. In addition to fixed capital, working capital must be available either as cash or material and supplies, and including development cost and all factors and elements of value, the Commission finds that the value for rate making purposes only on December 31, 1919, was \$17,000.

7. That considering the character of this plant the annual allowance in operating expenses for depreciation on a sinking fund basis is \$868 for the plant as of December 31, 1919. This amount is 5½ per cent of the reproduction cost new above (excepting intangible) and this amount should be for any later date, increased by the same percentage of all net additions and betterments (except intangible capital), which are made with the same type of construction as now exists. Improved construction will naturally lessen this percentage.

9. That as heretofore indicated the present revenues of this company are inadequate to meet actual operating expenses including accruing depreciation, taxes and return on the money invested and the present rates are found to be unreasonable, unjust and unjustly discriminatory and not such as to furnish a basis upon which to require efficient service.

11. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Sherwood Telephone Company in Sherwood, Yamhill County, Oregon, for efficient service in lieu of those now in force, are as follows, to wit:

<i>Unlimited Business Service</i>	<i>Wall Set * Per Month</i>
One-party line .....	\$2.75
Two-party line .....	2.50
Ten-party suburban line .....	2.75
Extension, with bell .....	.90
Extension, without bell .....	.75
Extension bell only .....	.15
<i>Unlimited Residence Service</i>	
One-party line .....	2.00
Two-party line .....	1.75
Four-party line .....	1.50
Ten-party suburban line .....	1.50
Extension, with bell .....	.65
Extension, without bell .....	.50
Extension bell only .....	.15

\* For desk set add 25c per month to rates named.

#### *Rural Service*

For farmer line switching, per subscriber .....	.50
Minimum charge per line .....	3.00
Rent magneto wall telephone (to utility for use of instrument) .....	.25

#### *Service Hours*

The hours of service shall remain the same with the exception of additional hours on Sunday of from 12 o'clock noon to 2 p. m. The same charge shall remain in effect as previously for night service and off-hour service.

#### ORDER

Based on the foregoing findings and entire record herein the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the Sherwood Telephone Company, of Sherwood, Oregon, be, and it is hereby, authorized to adopt and make effective on the date herein specified the rates, rules and regulations hereinbefore in the findings set out, as fair, reasonable and not unjustly discriminatory, in lieu of those now in force and effect, found to be unreasonable, inadequate and unjustly discriminatory, and not such as to furnish a basis for adequate service, and in order to be more definite and certain the above and foregoing findings are hereby adopted and by this reference made a part of this order.

PROVIDED, HOWEVER, that the rates thus herein authorized shall be considered the maximum rates for the classes and kinds of service specified, and nothing herein shall be so construed as to prevent the utility from making reductions therein or from filing additional rates, rules and regulations for service not specified, providing they do not result in unjust discrimination between subscribers, classes of service or localities in conflict with the intent of this order or other rules and regulations of this Commission.

This order shall be and become effective the sixteenth day of August, 1920, and within ten days hereafter the applicant shall publish and file in the manner and form prescribed by law and the rules and regulations of this Commission a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

In the matter of the application of the DALLAS TELE- } U-F-278  
PHONE COMPANY for authority to increase rates. }

ORDER ENTERED AUGUST 7, 1920—P. S. C. ORDER NO. 631

#### ORDER

Regular notice of the time and place of hearing, as fixed by the Commission, was served in the manner and form prescribed by the rules and regulations of said Commission, as directed by law, as shown by the returns on file herein, and pursuant thereto a public hearing was held on the above numbered application of the Dallas Telephone Company at the Courthouse in Dallas, Polk County, Oregon, at 11 a. m., on the sixth day of May, 1920.

Notice of the time and place of hearing was also published in the weekly papers at Dallas, Oregon.

Witnesses on behalf of both the applicant and patrons and municipal corporations were sworn, testified and the testimony taken by the reporter for the Commission.

#### FINDINGS

After a full and careful consideration of the testimony, and the complete record herein, and being fully advised in the premises, the Commission makes its findings as follows:

1. That the Dallas Telephone Company is a corporation organized under date of November 5, 1909, and existing under the laws of the State of Oregon, with an authorized capital stock of \$25,000, all of which has been issued and is now outstanding, with no funded debt, and is a public utility as defined by Chapter 279 of the General Laws of Oregon for 1911, and operates a common battery exchange at Dallas and a magneto exchange at Falls City, Polk County, Oregon.

2. That based upon the average prices weighted so as to approximate as closely as possible the amount of money prudently invested, and by using actual cost, wherever possible, the reproduction cost new as of December 31, 1919, of the fixed capital of this telephone utility in Dallas is \$35,641, and the reproduction cost new less depreciation under the same conditions and computed upon a straight line basis is \$26,059, the corresponding amounts for Falls City are \$8,904 and \$5,250, respectively.

3. That in addition to fixed capital, working capital must be available either as cash or material and supplies, and including development cost and all factors and elements of value, the Commission finds that the value for rate making purposes only on December 31, 1919, was for the entire utility \$46,750.

4. That there has been a considerable increase in wages to both operators and linemen and increase in the cost of materials; that the utility can not properly maintain its system and render adequate service to its patrons if its receipts are insufficient to meet operating costs including the prevailing scale of wages, and can not obtain money to make extensions to its plants and afford additional and efficient service, if its credit is impaired by lack of revenue.

5. That considering the character of this plant, the annual allowance in operating expenses for depreciation, on a sinking fund basis is \$1,965 for the plant as of December 31, 1919. This amount is 4½ per cent of the reproduction cost new (excepting intangible), and this amount should, for any later date, be increased by the same percentage on all net additions and betterments (except intangible capital), which are made with the same type of construction as now exist, improved construction will naturally lessen this percentage.

7. That the utility, upon complaint of the farmer line subscribers shall make such reasonable tests of its facilities as will permit the fixing of responsibility for impaired service, keep a record thereof and report the result to the complainant.

8. That the service in the town of Falls City should be immediately corrected and improved, and that in the absence of a fully qualified commercial representative situated at this exchange, such complaints as may arise in connection with the operation of a utility of this character should be promptly transmitted to the manager's office at Dallas.

9. That as heretofore indicated the present revenues of this company are inadequate to meet actual operating expenses, provide for depreciation, taxes and return on the money invested, and the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to require efficient service.

10. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Dallas Telephone Company in Dallas and Falls City, respectively, for efficient service in lieu of those now in force and effect, and not unreasonable in comparison with rates in force and effect in localities similarly situated, are as herein named, to wit:

DALLAS		Wall Set *
<i>Unlimited Business Service</i>		<i>Per Month</i>
One-party line .....		\$3.50
Two-party line .....		3.00
Ten-party suburban line .....		3.00
Extension, with bell .....		.90
Extension, without bell .....		.75
Extension bell only .....		.15
<i>Unlimited Residence Service</i>		
One-party line .....		2.00
Two-party line .....		1.75
Four-party line .....		1.50
Ten-party suburban line .....		1.50
Extension, with bell .....		.85
Extension, without bell .....		.50
Extension bell only .....		.15
FALLS CITY		
<i>Unlimited Business Service</i>		
One-party line .....		2.75
Two-party line .....		2.25
Ten-party suburban line .....		2.75
Extension, with bell .....		.90
Extension, without bell .....		.75
Extension bell only .....		.15
<i>Unlimited Residence Service</i>		
One-party line .....		2.00
Two-party line .....		1.75
Four-party line .....		1.50
Ten-party suburban line .....		1.50
Extension, with bell .....		.85
Extension, without bell .....		.50
Extension bell only .....		.15
* For desk set add 25c per month to above rates.		
<i>Rural Service</i>		
Farmer line switching, per subscriber .....		.50
Minimum charge per line .....		3.00
Rent of magneto wall telephone .....		.25

#### *Toll*

For the purpose of brevity, and to be definite and particular, Independence and Monmouth will be called Group 1, and Dallas and Falls City Group 2. Between stations in Group 1 and stations in Group 2, a toll rate of 10 cents for the first three minutes, and 5 cents for each additional three minutes or fraction thereof may be charged.

#### ORDER

Based on the foregoing findings and the record herein, the Commission makes and enters its order as follows, to wit:

IT IS HEREBY ORDERED that the applicant, Dallas Telephone Company, of Dallas, Oregon, be, and it is hereby, authorized to adopt and make effective, on the date herein specified, the rates, rules and regulations hereinbefore in the find-

ings set out as fair, reasonable, and not unjustly discriminatory, in lieu of those now in force and effect, found to be unreasonable, inadequate and unjustly discriminatory, and not such as to furnish a basis for adequate service, and for brevity, and in order to make more definite and certain the above and foregoing findings are hereby adopted, and by this reference made a part of this order.

PROVIDED, HOWEVER, that the rates thus herein authorized shall be considered the maximum rates for the class and kinds of service specified, and nothing herein shall be construed as to prevent the utility from making reductions therein or from filing additional rates, rules and regulations for service not specified, providing they do not result in unjust discrimination between subscribers, classes of service or localities in conflict with the intent of this order or other rules and regulations of this Commission.

This order shall be and become effective the sixteenth day of August, 1920, and within ten days hereafter the applicant shall publish and file, in the manner and form prescribed by law and the rules and regulations of this Commission, a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

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In the matter of the application of the OREGON POWER } U-F-228  
COMPANY for authority to increase rates.

ORDER ENTERED AUGUST 17, 1920—P. S. C. ORDER NO. 633

ORDER

It appearing that under date of August 9, 1919, this Commission issued its Order No. 528, fixing certain temporary schedules of rates for the furnishing of gas by the Mountain States Power Company in the cities of Marshfield and North Bend, effective August 20, 1919, such rates to be effective for a period of one year only, from the effective date thereof, unless further extended by order of this Commission; and

It now appearing that the conditions surrounding the operations of this company have not changed materially since the issuance of said Order No. 528, and it appearing that good and sufficient reasons exist to warrant the Commission in extending the operation of the rates therein fixed;

IT IS, THEREFORE, ORDERED that the operation of the rates and charges fixed in said Order No. 528 of this Commission be, and the same is hereby, extended and that the Mountain States Power Company be, and it hereby is, authorized to continue in effect in the cities of Marshfield and North Bend, until further order of this Commission, the just, reasonable and not unjustly discriminatory rates and charges in said order contained.

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In the matter of the application of the OREGON POWER } U-F-229  
COMPANY for authority to increase rates.

ORDER ENTERED AUGUST 17, 1920—P. S. C. ORDER NO. 634

ORDER

It appearing that under date of August 9, 1919, this Commission issued its Order No. 529, fixing certain temporary schedules of rates for the furnishing of gas by the Mountain States Power Company in the cities of Eugene and Springfield, effective August 20, 1919, such rates to be effective for a period of one year only, from the effective date thereof, unless further extended by order of this Commission; and

It now appearing that the conditions surrounding the operations of this company have not changed materially since the issuance of said Order No. 529, and it appearing that good and sufficient reasons exist to warrant the Commission in extending the operation of the rates therein fixed;

IT IS, THEREFORE, ORDERED that the operation of the rates and charges prescribed in said Order No. 529 of this Commission be, and the same is hereby, extended, and that the Mountain States Power Company be, and it hereby is, authorized to continue in effect in the cities of Eugene and Springfield, until further order of this Commission, the just, reasonable and not unjustly discriminatory rates and charges in said order contained.

In the matter of the application of the **BANDON POWER COMPANY** for an extension of time on relief granted by P. S. C. Or. Order 406, U-F-205, and such other disposition of its case that may be warranted by an investigation. } U-F-205

ORDER ENTERED AUGUST 20, 1920—P. S. C. ORDER NO. 636

### ORDER

The above entitled matter came on regularly for public hearing before the Public Service Commission of Oregon at the City Hall in Bandon, Oregon, at 10 a. m., July 19, 1920, pursuant to written notice of the time and place of hearing fixed by the Commission.

Witnesses were called by parties to the proceedings and their testimony taken.

### FINDINGS

Being fully advised in the premises after a full consideration of the testimony and the record herein the Commission makes its findings as follows:

1. That the Bandon Power Company is a corporation with a capital stock of \$30,000, approximately all issued and outstanding, and has an indebtedness of about \$9,000, and is a public utility owning, operating and controlling an electric generating and distributive system in the City of Bandon, Coos County, Oregon.

2. A comparative statement applied to the operations for 1919 and 1920 during the period from January 1, 1919, to July 1, 1920, shows the following conditions:

Operating revenues .....	\$ 23,670.62
Operating expenses .....	28,126.78
Net operating loss .....	\$ 4,456.16
Taxes .....	553.00
Operating loss .....	\$ 5,009.16

3. That owing to increased operating expenses, especially fuel and labor, the present rates of the utility are inadequate and insufficient to enable the company to maintain service and provide for depreciation without a return on investment and are likewise unreasonable, unfair and unjustly discriminatory, and the following rates, rules and regulations are reasonable, just, fair and not discriminatory and should be imposed in lieu of those now in force and effect:

### RESIDENCE RATES

First 6 k. w. h. or less used per month .....	\$1.50
Next 14 k. w. h. per month, per k. w. h. ....	.17
Next 30 k. w. h. per month, per k. w. h. ....	.14
Over 50 k. w. h. per month, per k. w. h. ....	.12

### COMMERCIAL LIGHTING

#### Primary Rate

(To apply to first 30 k. w. h. used per month, per kilowatt of active load)

First 6 k. w. h. or less .....	\$1.50
Next 19 k. w. h. per month, per k. w. h. ....	.17
Next 25 k. w. h. per month, per k. w. h. ....	.14
Over 50 k. w. h. per month, per k. w. h. ....	.12

### SECONDARY RATE

To apply to monthly consumption in excess of that at primary rate:

First 100 k. w. h., per k. w. h. ....	\$0.12
Over 100 k. w. h., per k. w. h. ....	.10

#### Minimum

First 500 watts, or less, of active load, per month.....	\$1.50
Each additional 100 watts, per month .....	.18

### POWER RATES

To apply to first 50 k. w. h. used per month per horsepower of demand (or first 60 hours used per month per kilowatt of demand):

First 150 k. w. h., per k. w. h. ....	\$0.12
Next 300 k. w. h., per k. w. h. ....	.09
Over 500 k. w. h., per k. w. h. ....	.07

## SECONDARY RATE

To apply to monthly consumption in excess of that under the primary rate:  
 First 1,000 k. w. h., per k. w. h. .... \$0.07  
 Over 1,000 k. w. h., per k. w. h. .... .06

## MINIMUM CHARGES

First 2 horsepower of demand, per horsepower ..... \$2.50  
 Over 2 horsepower of demand, per horsepower ..... 2.00  
 No minimum for 3-phase power less than \$3 per month.

## DEMAND

Demand of power installation will be considered at 100 per cent of the connected load of installations up to and including an aggregate rated capacity of 10 horsepower.

## ORDER

Based on the foregoing findings and the record herein the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the Bandon Power Company, be, and is hereby, authorized to discontinue its present rates, rules and regulations pertaining to the service specified in the above and foregoing schedule found to be insufficient, inadequate and noncompensatory and unreasonable, and to substitute in lieu therefor the schedule hereinbefore in the findings set out, found to be just, reasonable and not unjustly discriminatory, and by this reference the findings are made a part hereof.

IT IS FURTHER ORDERED that the rates so authorized shall be considered as maximum rates for the service specified and conditions may arise wherein revision may be necessary for the purpose of taking on other business of a peculiar character or magnitude, and for that reason nothing herein shall be construed as preventing the utility from filing additional rates, rules and regulations or from reducing or modifying these rates from time to time if occasion demands and as may be required for service not so specified; provided always, that no unjust discrimination be introduced between individuals, subscribers or class of consumers in conflict with the intent or spirit of this or other orders, rules or regulations prescribed by this Commission. That proper tariffs be filed with the Commission ten days prior to the effective date.

AND IT IS FURTHER ORDERED that immediately upon the establishment of rates herein authorized the applicant shall file according to law and the rules of this Commission a tariff containing the rates, rules and regulations together with all other rates, rules and regulations applicable to service and shall cause a copy of that tariff to be posted in a conspicuous place in the main office and easily accessible for public reference.

This order shall be and become effective on all service rendered after September 1, 1920, and the company shall immediately upon acceptance of the authority herein granted, file its tariff with this Commission.

In the matter of the application of INDEPENDENT TELE- { U-F-273  
 PHONE COMPANY for authority to increase rates.

ORDER ENTERED AUGUST 31, 1920—P. S. C. ORDER NO. 637

## ORDER

This is an application by the Independent Telephone Company of Pilot Rock, Oregon, for authority to charge the actual cost of batteries used upon subscribers' premises to the subscriber served by its telephone lines in Pilot Rock and vicinity. The desire to assess the actual cost of the batteries to the subscriber is intended as a means of increasing revenue, the applicant alleging that an increase in its telephone rates is necessary in order to meet the increased cost of material and labor.

The matter having been brought on regularly for hearing before the Commission at Pilot Rock, Oregon, on the fifteenth day of May, 1920, the Commission now finds from the records and files and the testimony introduced at the hearing of this application that an increase in revenue is not necessary in order to afford a reasonable return upon the fair value of the property devoted to the use of the public, it appearing that applicant's rates are sufficient to provide for operation, maintenance, depreciation and taxes, as well as a reasonable return upon the value as claimed by the applicant for its property devoted to the public use.



The Commission further finds that the method of securing additional revenue by charging the subscriber the actual cost of the batteries used upon subscribers' premises is forbidden by statute (Section 64, Chapter 279, Laws 1911).

"It shall be unlawful for any public utility to demand, charge, collect, or receive from any person, firm or corporation less compensation for any service rendered or to be rendered by said public utility in consideration of the furnishing by said person, firm or corporation of any part of the facilities incident thereto; provided, nothing herein shall be construed as prohibiting any public utility from renting any facilities incident to the transportation of persons or property by street railroad, or to the production, transmission, delivery or furnishing of heat, light, water or power or the conveyance of telephone messages and paying a reasonable rental therefor, or as requiring any public utility to furnish any part of such appliances which are situated in and upon the premises of any consumer or user, except telephone station equipment upon the subscriber's premises, and unless otherwise ordered by the Commission meters and appliances for measurements of any product or service."

The batteries mentioned are part of the telephone equipment.

IT IS, THEREFORE, ORDERED that the application of the Independent Telephone Company of Pilot Rock for authority to increase its rates by assessing the actual cost of the batteries to the subscriber be, and the same is hereby, denied.

In the matter of the application of the ESTACADA TELEPHONE & TELEGRAPH COMPANY for authority to increase its rates. } U-F-271

ORDER ENTERED AUGUST 31, 1920—P. S. C. ORDER NO. 638

#### ORDER

Written notice of the time and place of hearing as fixed by the Commission was served in the manner and form prescribed by the rules and regulations of said Commission as directed by law, as shown by the files herein, and pursuant thereto a public hearing was held on the above numbered application of the Estacada Telephone and Telegraph Company at the City Hall, Estacada, Clackamas County, Oregon, at 9 o'clock a. m. on the eighteenth day of May, 1920, before the Public Service Commission.

Witnesses on behalf of both the applicant, patrons and municipal corporations were sworn, testified and the testimony taken by reporter for the Commission.

The Commission has taken into consideration the environs of the situation, the size of the plant, size of town and its immediate needs, and it is impossible to expect that there can be full twenty-four hours' service, but such service should be provided as will tend to encourage the growth of the exchange and harmony between the officers and the patrons.

#### FINDINGS

Being fully advised in the premises, after a full consideration of the testimony and record herein, the Commission makes its findings as follows:

1. That the Estacada Telephone and Telegraph Company is a corporation organized and existing under the laws of the State of Oregon, is a public utility as defined in Chapter 279 of the General Laws of Oregon for 1911, owning and operating an exchange in the City of Estacada, Clackamas County, Oregon, and controlling and maintaining lines in that city and community, and furnishing local and long distance exchange service as generally defined by such terms.

2. The authorized capital stock is \$10,000, all of which is outstanding, and there is no bonded indebtedness.

3. That there are approximately 400 subscribers, 300 of whom are on farmer-owned lines, and upon complaint of farmer-line subscribers the utility shall make such reasonable tests of its facilities as will permit the fixing of responsibility for interruptions of service, keeping a record thereof and report the result in writing to the complainant.

4. That the management of the company is charged with reorganizing the system as speedily as possible and the rates hereinafter named are conditioned upon the improved maintenance of the system and the rendering of satisfactory service.

5. That based upon the average prices weighted so as to approximate as closely as possible the amount of money prudently invested, and by using actual

cost, wherever possible, the reproduction cost new as of December 31, 1919, of the fixed capital of this telephone utility is \$7,235, and the reproduction cost new less depreciation under the same conditions and computed upon a straight line basis is \$4,702.

6. In addition to fixed capital, working capital must be available either as cash or material and supplies, and including development cost and all factors and elements of value, the Commission finds that the value for rate making purposes only on December 31, 1919, was \$7,735.

7. That a comparison of income statements of revenues and expenses for the calendar years of 1917, 1918 and 1919, submitted in evidence, discloses a deficit in meeting the current expenses without regard to return on investment; that there has been a considerable increase in wages to both operators and linemen and increase in the cost of materials; that the utility can not properly maintain its system and render adequate service to its patrons if its receipts are insufficient to meet operating costs including the prevailing scale of wages, and can not obtain money to make extensions to its plants and afford additional and efficient service, if its credit is impaired by lack of revenue.

8. That considering the character of this plant, the annual allowance in operating expenses for depreciation on a sinking fund basis, is \$395 for the plant as of December 31, 1919. This amount is 4 per cent of the reproduction cost new (excepting intangible), and this amount should, for any later date, be increased by the same percentage on all net additions and betterments (except intangible capital), which are made with the same type of construction as now exists. Improved construction will naturally lessen this percentage.

11. That as heretofore indicated the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes and return on money invested; therefore, the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Estacada Telephone and Telegraph Company in Estacada and vicinity for efficient service in lieu of those now in force are as named below:

<i>Unlimited Business Service</i>	<i>Wall Set * Per Month</i>
One-party line .....	\$2.50
Two-party line .....	3.00
Ten-party line, suburban .....	3.00
Extension, with bell .....	.90
Extension, without bell .....	.75
Extension bell only .....	.15
 <i>Unlimited Residence Service</i>	
One-party line .....	2.00
Two-party line .....	1.75
Four-party line .....	1.50
Ten-party line, suburban .....	1.50
Extension, with bell .....	.65
Extension, without bell .....	.50
Extension bell only .....	.15

\* For desk type instruments add 25c.

#### *Rural Line Switching Service*

Where the subscriber owns and maintains the lines to the town limits, per subscriber, 50c.

Minimum per line, \$3.

Rent of magneto wall telephone, 25c.

12. That under all circumstances strict accounts in all departments must be kept, together with correct working sheets, that the actual cost and expenditures for replacements, additions, betterments and extensions may be accurately shown, such precision is imperative.

#### ORDER

Based on the foregoing findings and entire record herein the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the Estacada Telephone & Telegraph Company, of Estacada, Oregon, be, and it hereby is, authorized to adopt and make effective on the date herein specified the rates, rules and regula-

tions hereinbefore in the findings set out as fair, reasonable and not unjustly discriminatory, in lieu of those now in force and effect, found to be insufficient, unreasonable, inadequate and unjustly discriminatory, and not such as to furnish a basis for adequate service, and for brevity and in order to make more definite and certain the above and foregoing findings are hereby adopted and by this reference made a part of this order.

PROVIDED, HOWEVER, that the rates thus herein fixed shall be considered the maximum rates for the classes and kinds of service specified, and nothing herein shall be construed as to prevent the utility from making reductions therein or from filing additional rates, rules and regulations for service not specified, providing they did not result in unjust discrimination between subscribers, classes of service or localities in conflict with the intent of this order or other rules and regulations of this Commission.

This order shall be and become effective the first day of September, 1920, and within ten days hereafter the applicant shall publish and file in the manner and form prescribed by law and the rules and regulations of this Commission a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

In the matter of the application of the LEBANON MUTUAL } U-F-280  
TELEPHONE COMPANY for authority to increase rates. }

ORDER ENTERED AUGUST 31, 1920—P. S. C. ORDER NO. 639

#### ORDER

Written notice of the time and place of hearing as fixed by the Commission was served in the manner and form prescribed by the rules and regulations of the Commission, as directed by law, upon the City of Lebanon, and notice published in the local newspaper in the said city, as shown by the files herein, and pursuant thereto public hearing was held on the above numbered application of the Lebanon Mutual Telephone Company, a corporation, at the City Hall in Lebanon, Linn County, Oregon, Wednesday, May 12, 1920, at 10:30 a. m.

Witnesses on behalf of both the applicant and patrons were sworn, testified and the testimony taken by reporter for the Commission.

#### FINDINGS

Being fully advised in the premises after a full consideration of the testimony and record herein, the Commission makes its findings as follows:

1. That the Lebanon Mutual Telephone Company is a corporation organized and existing under the laws of the State of Oregon, is a public utility as defined in Chapter 279 of the General Laws of Oregon for 1911, owning and operating an exchange in the City of Lebanon, Linn County, Oregon, and controlling and maintaining lines in that city and community and furnishing local and long distance exchange service as generally defined by such terms.

2. That the authorized capital stock of the applicant is \$5,000, all of which is outstanding, with a funded debt of \$1,000 outstanding and unpaid.

3. That as of July 1, 1918, by Order No. 423, this Commission, considering all elements, found for rate making purposes the value of this utility as a going concern the sum of \$17,600.

4. That as of December 31, 1919, taking into consideration the additional development since July 1, 1918, the condition of the utility as a going concern, all proper elements and factors, including allowance for necessary working capital to properly carry on the business, this Commission finds \$20,506 as the value for rate making purposes.

5. That a comparison of income statements of revenues and expenses for the calendar years of 1918 and 1919 will disclose for the year 1919 a deficit in meeting the current expenses without regard to return on investment; that there has been a considerable increase in wages to both operators and linemen and increase in the cost of materials; that the utility can not properly maintain its system and render adequate service to its patrons if its receipts are insufficient to meet operating costs, including the prevailing scale of wages, and can not obtain money to make extensions to its plants and afford additional and efficient service, if its credit is impaired by lack of revenue.

6. That considering the character of this plant the annual allowance in operating expenses for depreciation on a sinking fund basis, is \$995, for the plant as of December 31, 1919. This amount is 5 per cent of the reproduction cost

new (excepting intangible), and this amount should, for any later date, be increased by the same percentage on all net additions and betterments (except intangible capital), which are made with the same type of construction as now exists. Improved construction will naturally lessen this percentage.

9. That as heretofore indicated the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes and return on money invested; therefore the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Lebanon Mutual Telephone Company in Lebanon and vicinity for efficient service in lieu of those now in force are as named below:

*Unlimited Business Service*

	<i>Wall Set * Per Month</i>
Business one-party .....	\$2.75
Business two-party .....	2.25
Business extension, with bell .....	.90
Business extension, without bell .....	.75
Ten-party suburban business .....	2.25

*Unlimited Residence Service*

Residence one-party .....	2.00
Residence two-party .....	1.75
Residence four-party .....	1.50
Extension, with bell .....	1.25
Extension, without bell .....	.50
Ten-party suburban residence .....	1.50

\* All desk sets extra, per month, 25c.

*Rural Switching Service*

Farmer line service .....	.50
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10. That the service is greatly impaired by the use of ten-party residence lines and the utility should be required to arrange its plant to conform to more modern development, and the subscribers should be notified and allowed the choice of such service as the utility holds itself out to render.

**ORDER**

Based on the foregoing findings and entire record herein the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the Lebanon Mutual Telephone Company of Lebanon, Oregon, be, and it is hereby, authorized to adopt and make effective on the date herein specified the rates, rules and regulations hereinbefore in the findings set out as fair, reasonable, and not unjustly discriminatory, in lieu of those now in force and effect, found to be insufficient, unreasonable, inadequate and unjustly discriminatory, and not such as to furnish a basis for adequate service, and for brevity and in order to make more definite and certain the above and foregoing findings are hereby adopted and by this reference made a part of this order.

IT IS FURTHER ORDERED that the utility, within six months, eliminate and discontinue the ten-party service and distribute such subscribers to the several classes as they may choose under the rates and regulations as herein set out, such transfer to be without any additional moving charge, and at the least possible disturbance to the patrons, and no subscriber to be billed except at his option for such different service before January 1, 1921, and then only upon written notice by the utility thirty days previous to such change.

PROVIDED, HOWEVER, that the rates thus herein fixed shall be considered the maximum rates for the classes and kinds of service specified, and nothing herein shall be construed as to prevent the utility from making reductions therein or from filing additional rates, rules and regulations for service not specified, providing they did not result in unjust discrimination between subscribers, classes of service or localities in conflict with the intent of this order or other rules and regulations of this Commission.

This order shall be and become effective the first day of September, 1920, and within ten days hereafter the applicant shall publish and file in the manner and form prescribed by law and the rules and regulations of this Commission a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

In the matter of the application of INTERURBAN TELEPHONE COMPANY of Silverton, a corporation, for authority to increase rates for telephone service. } U-F-276

ORDER ENTERED AUGUST 31, 1920—P. S. C. ORDER NO. 640

#### ORDER

Regular notice of the time and place of hearing, as fixed by the Commission, was served in the manner and form prescribed by the rules and regulations of said Commission, as directed by law, as shown by the returns on file herein, and pursuant thereto a public hearing was held on the above numbered application of the Interurban Telephone Company at the City Hall in Silverton, Marion County, Oregon, at 10 a. m. on the eleventh day of May, 1920.

Notice of the time and place of hearing was also published in the local papers at Silverton, Oregon.

Witnesses on behalf of both the applicant and patrons were sworn, testified and the testimony taken by reporter for the Commission.

#### STATEMENT

It appears that one P. L. Brown originally organized and established the telephone company in Silverton, Oregon, along about 1906 and the applicant herein became successor in interest to the original telephone company February 14, 1908, and is now and has been ever since owning and operating an exchange at this point.

At the time of hearing there were 807 stations in this exchange, 458 in the town of Silverton, 278 suburban and 71 farmer owned. During the early days of the organization of this company, there was an arrangement between the telephone company and several associations of farmers whereby the farmers furnished and set their own poles and the telephone company furnished cross arms and wire, together with the labor and material necessary to place same in working condition. These mutual or quasi-partnerships have never been entirely dissolved or closed up, but have been continued without any definite settlement or adjustment of the relations, although the telephone company through necessity during the last five years has reset the telephone lines in some instances and replaced many of the poles, so that practically speaking the telephone company to all intents and purposes has undertaken the maintaining and keeping of the telephone lines in serviceable condition. Inasmuch as by force of circumstances the telephone company has assumed the burden of maintaining and keeping up these lines, it is right and equitable that due allowance be made for the depreciation, maintenance and upkeep as if the property were entirely that of the applicant. The records do not disclose that the question of absolute ownership of these lines rests entirely with the corporation but it may be inferred for the purposes of this order that such lines belong to the telephone company although perhaps technically speaking these contracts have never been foreclosed.

The applicant's need for greater revenue is based on the increased cost of operation occasioned by the extreme increase in the cost of labor and material during the past few years. The salaries of operators have advanced nearly 200 per cent since the rates now in effect, both in the city and in the country, were first initiated, and all labor and likewise materials have advanced quite as much.

Although there was due publicity in the local papers as to the time and place of the hearing, there was but one patron present and no sentiment was expressed adverse to the proposed increase of rates. Approximately two-thirds of the operating expense is labor, and the company under the present rates has had and will continue to face a deficit in actual operating expenses, not considering a return on the investment. No business can exist under such conditions.

A full and complete check of the physical property of the Interurban Telephone Company of Silverton was made by the Commission's engineering staff, taking as a basis the inventory and appraisal report submitted by the company upon demand of the Commission. To the items of property were applied average prices so weighted that the result approximates as closely as practicable the prudent investment in the plant. Estimated overhead expenses ordinarily required to be borne in the construction of the telephone properties were added. The result was an estimated reproduction cost new of the fixed capital (plant) as of December 31, 1919.

## FINDINGS

Being fully advised in the premises after a full consideration of the testimony and record herein, the Commission makes its findings as follows:

1. That the Interurban Telephone Company is a corporation organized and existing under the laws of the State of Oregon; is a public utility as defined in Chapter 279 of the General Laws of Oregon for 1911, owning and operating a telephone exchange in the City of Silverton, Marion County, Oregon, and controlling and maintaining lines in that city and community, and furnishing local and long distance exchange service as generally defined by such terms.

2. That the authorized capital stock of the applicant is \$15,000 of which \$12,125 is outstanding, with a funded debt represented by one note of \$975 drawing interest at the rate of 8 per cent per annum secured by a mortgage on the property, and other unfunded indebtedness consisting of accrued unpaid dividends and other miscellaneous accounts, all of which are outstanding and unpaid.

3. That based upon the average prices weighted so as to approximate as closely as possible the amount of money prudently invested, and by using actual cost, wherever possible, the reproduction cost new as of December 31, 1919, of the fixed capital of this telephone utility is \$48,630 and the reproduction cost new less depreciation under the same conditions and computed upon a straight line basis is \$32,620.

4. In addition to fixed capital, working capital must be available either as cash or material and supplies, and including development cost and all factors and elements of value, the Commission finds that the value for rate making purposes only as of December 31, 1919, was \$50,130.

5. That a comparative income statement of revenues and expenses for the calendar years of 1918 and 1919 disclosed for the year 1919 a deficit in meeting the current expenses without regard to return on investment; that there has been a considerable increase in wages to both operators and linemen and increases in the cost of materials; that the utility can not properly maintain its system and render adequate service to its patrons if its receipts are insufficient to meet operating costs including the prevailing scale of wages, and can not obtain money to make extensions to its plants and afford additional and efficient service, if its credit is impaired by lack of revenue.

6. That considering the character of this plant, a reasonable annual allowance in operating expenses for depreciation on a sinking fund basis is \$2,188 for the plant as of December 31, 1919. This amount is  $4\frac{1}{2}$  per cent of the reproduction cost new (excepting intangible items), and this amount should, for any later date, be increased by the same percentage on all net additions and betterments (except intangible capital), which are made, with the same type of construction as now exists. Improved construction will naturally lessen this percentage.

10. That as heretofore indicated the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes and return on money invested; therefore the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Interurban Telephone Company in Silverton and vicinity, for efficient service, in lieu of those now in force are as named below:

<i>Unlimited Business Service</i>	<i>Wall Set * Per Month</i>
One-party line .....	\$3.50
Two-party line .....	3.00
Ten-party line, suburban .....	3.00
Extension, without bell .....	.75
Extension, with bell .....	.90
Extension bell only .....	.15
<i>Unlimited Residence Service</i>	
One-party line .....	2.00
Two-party line .....	1.75
Four-party line .....	1.50
Ten-party line, suburban .....	1.50
Extension, without bell .....	.50
Extension, with bell .....	.65
Extension bell only .....	.15

\* For desk set add 25c per month to above rates.

*Rural Service and Switching*

Patrons owning and maintaining own telephone and lines to city limits, utility owning and maintaining connection from town limits to central office, farmer line switching per subscriber.....	50
Minimum charge per line .....	3.00
Rent of instrument .....	25
Toll rates, to Woodburn, first five minutes, 10c; each additional five minutes or fraction thereof, 5c.	

**ORDER**

Based on the foregoing findings and entire record herein the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the Interurban Telephone Company, of Silverton, Oregon, be, and it is hereby, authorized to adopt and make effective on the date herein specified the rates, rules and regulations hereinbefore in the findings set out as fair, reasonable and not unjustly discriminatory, in lieu of those now in force and effect, found to be insufficient, unreasonable, inadequate and unjustly discriminatory, and not such as to furnish a basis for adequate service, and for brevity and in order to make more definite and certain the above and foregoing findings are hereby adopted and by this reference made a part of this order.

PROVIDED, HOWEVER, that the rates thus herein fixed shall be considered the maximum rates for the classes and kinds of service specified, and nothing herein shall be construed as to prevent the utility from making reductions therein or from filing additional rates, rules and regulations for service not specified, providing they do not result in unjust discrimination between subscribers, classes of service or localities in conflict with the intent of this order or other rules and regulations of the Commission.

This order shall be and become effective on the first day of September, 1920, and within ten days hereafter the applicant shall publish and file in the manner and form prescribed by law and the rules and regulations of this Commission a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

In the matter of the application of the DOUGLAS COUNTY  
LIGHT & WATER COMPANY for authority to increase } U-F-240  
rates.

In the matter of the application of the DOUGLAS COUNTY  
LIGHT & WATER COMPANY for authority to increase } U-F-259  
rates.

ORDER ENTERED AUGUST 31, 1920—P. S. C. ORDER NO. 641

**ORDER**

Whereas this Commission did on the thirteenth day of July, 1920, issue its order in the above entitled cases, effective July 23, 1920, except as therein specifically otherwise provided; and

Whereas applicant desires to submit further evidence and data concerning the electric light and power rates prescribed in said order, and petitions this Commission for suspension of said rates; and

Whereas said applicant has not as yet begun the collection of the aforesaid rates, and it appears that no injustice will result if the old schedule of light and power rates is continued in effect for a limited period of time;

IT IS ORDERED that the light and power rate schedules as prescribed in our P. S. C. Or. No. 615 of July 13, 1920, be, and the same are hereby, suspended for a period of six months or until the further order of this Commission.

IT IS FURTHER ORDERED that with the exception of the lighting and power rates prescribed therein, all remaining provisions of said order shall be and remain in full force and effect as of July 23, 1920, except as is therein specifically otherwise provided, and the electric rates heretofore charged for electric service by the Douglas County Light & Water Company prior to our order of July 13, 1920, be, and the same hereby are, ordered the legal rates to be assessed by said company for a period of six months or until further order of this Commission.

This order effective September 1, 1920.

In the matter of the application of SOUTHERN PACIFIC }  
COMPANY for permission to establish greater rates } F-929  
for lesser than for longer distances between points }  
on its lines in Oregon.

ORDER ENTERED SEPTEMBER 14, 1920—P. S. C. ORDER NO. 642

Whereas the Commission has, under its orders in cases F-252, F-255 and F-491, permitted the establishment by the Southern Pacific Company of rates between points within the State of Oregon, which rates will result in the collection of a greater sum for a haul of a lesser than for a longer distance over the same line of railroad; and

Whereas the carriers have filed tariffs on statutory ten days' notice, effective August 26, 1920, covering an increase of 25 per cent in freight rates, which also increases the disparities between the rates charged for the lesser than the longer haul above referred to;

IT IS ORDERED that the Southern Pacific Company be, and it is hereby, authorized and permitted to publish, and thereafter impose and collect rates between points on its lines in Oregon as covered by above mentioned cases, which may be greater for the shorter than for the longer haul, provided such increase does not exceed 25 per cent over existing rates.

This Commission does not hereby approve any rates that may be filed under this authority, all such rates being subject to attack, investigation and correction, if found in any wise to be unjust, unreasonable or unjustly discriminatory, either upon complaint of a qualified complainant or upon the Commission's own motion.

The application of this order is confined solely to the intrastate transportation of property between points within the State of Oregon, and nothing herein contained shall be construed as applying in any way to interstate traffic.

In the matter of the application of the SCHOLLS TELE- } U-F-291  
PHONE COMPANY for authority to modify rates. }

ORDER ENTERED SEPTEMBER 30, 1920—P. S. C. ORDER NO. 651

#### ORDER

Written notice of the time and place of hearing, as fixed by the Commission, was served in the manner and form prescribed by the rules and regulations of the Commission, as required by law, upon the City of Beaverton, the only incorporated town served by the applicant, as shown by the files herein, and pursuant thereto public hearing was held on the above numbered application of the Scholls Telephone Company, a corporation, at the Telephone Exchange in Laurel, Washington County, Oregon, Tuesday, September 21, 1920, at 1 p. m.

Although the record discloses that prior to this hearing notice thereof was published in the Hillsboro Independent, a newspaper of general circulation in the county, no appearances were made in opposition to the application.

Witnesses were sworn, testified and the testimony taken by reporter for Commission.

#### STATEMENT

This company owns, operates and controls two magneto telephone exchanges, one at Beaverton and the other at Laurel, some ten miles apart. In addition to local business and residence exchange telephone service, the company does switching for farmer owned lines.

It is apparent, from the record herein, that the company is being operated at a loss and it has no capital with which to make replacements and properly maintain the present property. It is highly necessary and convenient to have this company operating, and it is inevitable, owing to the age of the lines, that some needful repairs and deferred maintenance be reached this year. As manifested by the witnesses, it is not the desire of the officers or stockholders at this time to pay a return on the money invested in plant and equipment, but to advance the rates sufficiently to provide for a reasonable allowance for depreciation together with the actual out of pocket cost for operating expenses.



## FINDINGS

Being fully advised in the premises, after a full consideration of the testimony and record herein, the Commission makes its findings as follows:

1. The Scholls Telephone Company is a corporation duly organized and existing under the laws of the State of Oregon, and conducts and operates a telephone business in Washington County. It is a public utility engaged in the ownership, management, operation and control of a plant and equipment for the conveyance of telephone messages to and for the public and as such utility is subject to the provisions of Chapter 279 of the General Laws of Oregon for the year 1911.

2. Laurel is an inland town in the center of an old settled and rich farming district about ten miles from Beaverton and the same distance from Hillsboro.

3. The value of \$15,000 placed upon its property by the utility does not appear excessive, but inasmuch as the applicant does not ask for a return upon the investment, it is not considered necessary to determine the value of the property in this order.

4. That the company should establish a primary rate area for each of its exchanges.

5. That the rates hereinafter named are conditioned upon the furnishing of satisfactory service and a rearrangement of plant in Beaverton and Laurel to conform with its rate area and to allow the subscribers their choice of the various classes of service rendered.

6. That as heretofore indicated, the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes and return on money invested. Therefore the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Scholls Telephone Company for efficient service in lieu of those now in force are as named below:

## LAUREL

(Within primary rate area)

	Wall Set * Per Month
<i>Unlimited Business Service</i>	
Individual line .....	\$2.50
Party line .....	2.00
<i>Unlimited Residence Service</i>	
Individual line .....	2.00
Party line .....	1.50
Suburban line .....	1.50

## BEAVERTON

(Within primary rate area)

	Wall Set * Per Month
<i>Unlimited Business Service</i>	
Individual line .....	\$2.50
Party line .....	2.00
<i>Unlimited Residence Service</i>	
Individual line .....	2.00
Party line .....	1.50
Suburban line .....	1.50

## Mileage Rates

For service outside the primary rate area, the following mileage rates are effective, based upon air line mileage from primary rate area.

	Per Month
Individual line, each quarter mile or fraction thereof .....	\$0.50
Party line, per station, each quarter mile or fraction thereof .....	.25

## Rural Line Switching Service

Where the subscriber owns and maintains the lines to the town limits, per subscriber .....	.50
Minimum, per line .....	3.00
Rent of magneto wall telephone .....	.25

\* For desk type instruments add 25c per month.

## ORDER

Based on the foregoing findings, and the entire record herein, the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the Schells Telephone Company, of Laurel, Oregon, be, and it hereby is, authorized to adopt and make effective on the date herein specified the rates, rules and regulations hereinbefore in the findings set out as fair, reasonable and not unjustly discriminatory, in lieu of those now in force and effect, found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis for adequate service, and for brevity and in order to make more definite and certain the above and foregoing findings are hereby adopted and by this reference made a part of this order.

PROVIDED, HOWEVER, that the rates thus herein fixed shall be considered the maximum rates for the classes and kinds of service specified, and nothing herein shall be construed as to prevent the utility from making reductions therein or from filing additional rates, rules and regulations for service not specified, providing they do not result in unjust discriminations between subscribers, classes of service of localities in conflict with the intent of this order or other rules and regulations of this Commission.

All the rates, rules and regulations now in effect, in so far as they do not conflict with the provisions of this order, will be permitted to remain in effect.

This order shall be and become effective the first day of October, 1920, and within ten days hereafter the applicant shall publish and file in the manner and form prescribed by law and the rules and regulations of this Commission a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

PACIFIC GRANGE No. 413,

v.

PACIFIC POWER & LIGHT COMPANY,

Complainant,

Defendant.

} U-F-282

ORDER ENTERED OCTOBER 2, 1920—P. S. C. ORDER NO. 654

## ORDER

Pursuant to due and legal notice of the time and place, public hearing was held at the Grange Hall, near Carnahan Station, Clatsop County, Oregon at 10 a. m., the twenty-seventh day of August, 1920.

## STATEMENT

This matter was before the Commission on the application of Pacific Grange No. 413, composed of residents of Clatsop Plains, near Carnahan Station, living along the power lines of the Pacific Light & Power Company running between Astoria, Warrenton, Gearhart and Seaside. Mr. Atherton by resolution was appointed and empowered to represent the petitioners at the hearing. It appeared from the testimony that the power line in question ran through the premises of many of the residents of Clatsop Plains paralleling the right of way of the Spokane, Portland & Seattle Railway Company. The testimony also showed that the residents of this particular section of Clatsop County have connection with the pipe line of the Warrenton Water Works. The section is built up with houses in small acreages and also has several hundred acres in cranberry bogs, all of which would indicate that electricity would be of great convenience.

After much testimony had been taken an agreement was reached between the representatives of the respective parties to the hearing and a stipulation agreeable to all parties was dictated into the record covering the extension service to be provided the applicants by the power company.

Based upon the said stipulated agreement of parties hereto the Commission makes and enters its order as follows, to wit:

## ORDER

IT IS HEREBY ORDERED that the Pacific Power & Light Company shall extend a single phase 6,600 or 2,300 volt wire from Gearhart and Warrenton, respectively, as most convenient to the power company, toward this district and along its high tension line, and install at proper points along this line on the premises of the power company, service transformers where they can be installed and at places where the customers and patrons can conveniently use

them. The customers and patrons shall bring their individual service lines to the poles of the company and there they can be connected up by the company with the main lines; provided, however, if the service requires transformers off of the lines of the power company such transformers will be paid for by the consumers and patrons. The work of constructing the line on the part of the company shall be undertaken as soon as can be conveniently done, and finished within a reasonable time, which reasonable time is not to exceed three or four months.

Rates of service to be furnished by the power company will be in line with the rates now in force and effect in Clatsop County under like circumstances, and shall be reasonable, just and nondiscriminatory.

In the matter of the application of the LAFAYETTE TELEPHONE COMPANY for authority to increase (or discontinue) rates. } U-F-307

ORDER ENTERED OCTOBER 11, 1920—P. S. C. ORDER NO. 656

#### ORDER

Written notice of the time and place of hearing, as fixed by the Commission, was served in the manner and form prescribed by the rules and regulations of the Commission, as required by law, upon the City of Lafayette, the only incorporated town served by the utility, as shown by the files herein, and pursuant thereto public hearing was held on the above numbered application of the Lafayette Telephone Company, a corporation, at the City Hall in Lafayette, Yamhill County, Oregon, Tuesday, September 21, 1920, at 9 o'clock a. m.

Witnesses were sworn, testified and the testimony taken by reporter for the Commission.

#### FINDINGS

Being fully advised in the premises, after a full consideration of the testimony and record herein, the Commission makes its findings as follows:

1. The Lafayette Telephone Company is a corporation duly organized and existing under the laws of the State of Oregon, and conducts and operates a telephone business in Yamhill County. It is a public utility engaged in the ownership, management, operation and control of telephone messages, and as such utility is subject to the provisions of Chapter 279 of the General Laws of Oregon for the year 1911.

2. The authorized capital stock of this company is \$2,500, of which \$1,500 is issued and outstanding. The stock is principally owned by business men of Lafayette. There are approximately sixty patrons or subscribers in addition to the farmer line subscribers for which this company performs a switching service.

3. Lafayette is a progressive town located on the East Side branch of the Southern Pacific Electric line in the center of an old settled and rich farming district about ten miles from Newberg and five miles from McMinnville.

5. The value of \$4,500 placed upon the property by the utility does not appear excessive, but inasmuch as the applicant does not ask for a return upon the investment, it is not considered necessary to find a value of the property in this order.

6. That the company should establish a primary rate area for its exchange service.

7. That the rates hereinafter named are conditioned upon satisfactory service and are based upon a primary rate area covering the city limits of Lafayette. Service outside the city limits will be rendered on a mileage basis or under the suburban rate.

8. That as heretofore indicated, the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes and return on the money invested. Therefore, the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Lafayette Telephone Company for efficient service in lieu of those now in force are as named below.

## LAFAYETTE

<i>Unlimited Business Service</i>	<i>Wall Set *</i>
Individual line .....	<i>Per Month</i>
Party line .....	\$2.50
	2.00
<i>Unlimited Residence Service</i>	
Individual line .....	2.00
Party line .....	1.50
Suburban line .....	1.50

*Mileage Rates*

For service outside the primary rate area, the following mileage rates are effective, based upon air line mileage from primary rate area:

	<i>Per Month</i>
Individual line, each quarter mile or fraction thereof .....	\$0.50
Party line, per station, each quarter mile or fraction thereof .....	.25

*Suburban Service*

Suburban circuits (not including pole lines) will be constructed for a distance not exceeding five (5) miles from the primary rate area of the exchange with which they connect, provided the circuits shall average not less than two (2) subscribers per mile with a minimum of five (5) subscribers per circuit.

*Rural Line Switching Service*

Where the subscriber owns and maintains the lines to the town limits, per subscriber, 50c.

Minimum, per line, \$3.

Rent of magneto wall telephone, 25c.

## ORDER

Based on the foregoing findings and entire record herein, the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the Lafayette Telephone Company, of Lafayette, Oregon, be, and it hereby is, authorized to adopt and make effective on the date herein specified the rates, rules and regulations hereinafter in the findings set out as fair, reasonable and not unjustly discriminatory, in lieu of those now in force and effect, found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis for adequate service, and for brevity and in order to make more definite and certain the above and foregoing findings are hereby adopted and by this reference made a part of this order.

PROVIDED, HOWEVER, that the rates thus herein fixed shall be considered the maximum rates for the classes and kinds of service specified, and nothing herein shall be construed as to prevent the utility from making reductions herein or from filing additional rates, rules and regulations for service not specified, providing they do not result in unjust discriminations between subscribers, classes of service or localities in conflict with the intent of this order or other rules and regulations of this Commission.

All the rates, rules and regulations now in effect, in so far as they do not conflict with the provisions of this order, will be permitted to remain in effect.

This order shall be and become effective the sixteenth day of October, 1920, and within ten days hereafter the applicant shall publish and file in the manner and form prescribed by law and the rules and regulations of this Commission, a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

In the matter of the application of the VALE ELECTRIC } U-F-327  
COMPANY for emergency increase of rates. }

ORDER ENTERED OCTOBER 26, 1920—P. S. C. ORDER NO. 658

In its Order No. 602, effective June 1, 1920, "In the matter of the application of the Idaho Power Company for approval of its proposed irrigation contract for the 1920 irrigation season," this Commission (issued in conjunction with a similar order by the Public Utilities Commission of Idaho) included, as a part thereof, the following provisions:

\* For desk type instruments add 25c per month.

"Now, therefore, in view of the conditions and circumstances above described, the Commission is of the opinion, and finds that it is necessary, to prevent injury to the business and interests of the people and of the Idaho Power Company, that an emergency be declared to exist and an order entered temporarily altering and amending the existing rates and schedules of the Idaho Power Company relating to service furnished within the State of Oregon, by adding to said present rates and schedules, in the form of a surcharge upon the undiscounted bill, the percentage increases hereinafter set forth.

"4. Sales to other public utilities except street railways and interurban railways, 10 per cent."

In accordance with this provision, the charge for electric energy furnished to the Vale Electric Company by the Idaho Power Company has been increased, effective June 1, 1920.

It further appears from the reports of its operations submitted under oath to this Commission, that the net revenues of the Vale Electric Company are not sufficient to allow it to absorb this increased cost of electric energy without its being placed in a position similar to that of the Idaho Power Company previous to the effective date of our Order No. 602.

Now, therefore, in view of the conditions and circumstances above described, the Commission is of the opinion, and finds that it is necessary, to prevent injury to the business and interests of the people and of the Vale Electric Company, that an emergency be declared to exist and an order entered temporarily altering and amending the existing rates and schedules of the Vale Electric Company relating to service furnished by it, by adding to said present rates and schedules, in the form of a surcharge upon the undiscounted bill, a percentage increase of three per cent (3%), such rates to become effective November 1, 1920, on all service. This percentage is necessary to compensate for the increased amounts already paid, and to be paid, to the Idaho Power Company.

Further, that no misunderstanding shall exist as to the portion of the new revenue that shall be paid to the Idaho Power Company, the Commission now fixes twenty-six and seven-tenths per cent (26.7%) as the practical equivalent of the 27½ per cent revenue now paid.

IT IS, THEREFORE, ORDERED that an emergency be, and it hereby is, declared to exist, and the present rates and charges of the Vale Electric Company temporarily altered and amended so as to provide for the respective percentage increases, in the form of surcharges, as hereinbefore set out, such rates as so altered and amended to remain in effect for a period of not to exceed one year.

In the matter of the application of the COOS BAY BOOM COMPANY, an Oregon corporation, for a franchise on the Coquille River for driving, catching, booming, sorting, rafting and holding logs, lumber and other timber produce on a portion of Coquille River, Coos County, Oregon. } L-F-12

ORDER ENTERED OCTOBER 29, 1920—P. S. C. ORDER NO. 660

The Coos Bay Boom Company, an Oregon corporation, has filed its petition properly verified by A. C. Shaw, one of its attorneys of record herein, praying for an order extending the time from November 1, 1920, to July 1, 1921, within which to acquire, repair and install the contemplated improvements mentioned and set out in P. S. C. Oregon Order No. 361 heretofore entered by this Commission. It appears from the records herein that the Commission entered an order granting a franchise to the said company under date of the eighth day of April, 1918, and that said order and franchise contained the following provision:

"That one year is a reasonable time within which the contemplated improvements hereinbefore mentioned should be acquired, repaired and installed by this applicant company; that upon petition of the applicant company an order was duly made and entered herein providing that the time in which said company should acquire, repair and install the contemplated improvements should be and was extended and enlarged to and including December 19, 1919."

It further appears from the record herein that the petitioner, through circumstances over which it has no control, was prevented by legal complications from complying with said provisions, and was on or about the tenth day of December, 1919, through a petition to this Commission, granted an order extending the time for complying with the said last named provision up to and including the first day of November, 1920.

And it further now appearing from the petition herein on file, properly verified, that the said Coos Bay Boom Company has been prevented by reason of continued legal complications from complying with the terms of order with respect to acquiring, repairing and installing improvements hereinbefore mentioned and referred to, that the extension of time herein petitioned for can be granted without prejudice to the rights of any of the parties or the public.

Therefore, based upon the record herein and being fully advised in the premises, the Commission makes and enters its order as follows:

#### ORDER

IT IS, THEREFORE, ORDERED that said petition be, and the same is hereby, granted, and the time within which said Coos Bay Boom Company may acquire, repair and install the contemplated improvements mentioned and described in its application and in the order of this Commission herein referred to and designated as Order No. 361, is hereby extended and enlarged to and include July 1, 1921.

PROVIDING, HOWEVER, that nothing herein contained shall be construed to the prejudice of any intervening corporation, which may apply for a franchise on the stream or portions of stream included in the franchise of the Coos Bay Boom Company, AND IT IS SO ORDERED.

In the matter of the application of OREGON-WASHINGTON  
RAILROAD & NAVIGATION COMPANY for permission to  
establish greater rates for lesser than for longer dis- } F-934  
tances between points on its lines in Oregon.

ORDER ENTERED NOVEMBER 6, 1920—P. S. C. ORDER NO. 661

Whereas the Commission has, under its orders in Case F-534, permitted the establishment by the Oregon-Washington Railroad and Navigation Company of rate of 10 cents per 100 pounds on plaster in straight carloads from Gypsum, Oregon, to terminal at Portland, Oregon, moving wholly within the State of Oregon, on which rate will result in the collection of a greater sum for a haul of a lesser than for a longer distance over the same line of railroad; and

Whereas the carrier has filed tariffs on statutory ten days' notice, effective August 26, 1920, covering an increase of 25 per cent in freight rates, which also increases the disparities between the rates charged for the lesser than the longer haul above referred to;

IT IS ORDERED that the Oregon-Washington Railroad and Navigation Company be, and it is hereby, authorized and permitted to publish, and thereafter impose and collect rates between points on its lines in Oregon as covered by above mentioned case, which may be greater for the shorter than for the longer haul, provided such increase does not exceed 25 per cent over rate in effect prior to August 26, 1920.

This Commission does not hereby approve any rates that may be filed under this authority, all such rates being subject to attack, investigation and correction, if found in any wise to be unjust, unreasonable or unjustly discriminatory, either upon complaint of a qualified complainant or upon the Commission's own motion.

The application of this order is confined solely to the intrastate transportation of property between points within the State of Oregon, and nothing herein contained shall be construed as applying in any way to interstate traffic.

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FOURTEENTH ANNUAL REPORT OF THE  
LIGHT & POWER COMPANY to the Public Service Com-  
mission of Oregon to prescribe and establish rates for  
electric current used for power purposes which will  
be scientifically and equitably based and which will  
supercede the power rates now in effect and to cancel  
all contracts now conforming to such rates; to au-  
thorize certain rules and charges affecting power fac-  
tor and temporary service; and to authorize the dis-  
continuance of so-called prompt payment discounts  
on bills for electric lighting.

U-F-252

ORDER ENTERED NOVEMBER 10, 1920—P. S. C. ORDER NO. 662  
SUPPLEMENTAL ORDER

It appearing that under date of May 19, 1920, this Commission issued its Order No. 594 in the above entitled and numbered matter, fixing and establishing certain rates, rules and regulations governing the operations and service of the Eastern Oregon Light & Power Company; and

It appearing that on page 10 of said order under Method "D" of measured demand, secondary schedule, industrial power schedule, it is provided that "Elevator motors, hoists, welders and other highly fluctuating loads or load which do not exist constantly for periods of at least five minutes will have the demand assessed at 70 per cent of the greatest load existing while in operation."

And it appearing that the application of said provision to the use of X-ray machines and other similar devices causes an unjust and unreasonable burden; and, the Commission being fully advised in the premises, makes and enters its order as follows:

IT IS ORDERED that the above named provision of said order be modified and amended by providing that:

"The requirement of 70 per cent of the maximum should be applied only to loads of thirty seconds or longer duration. For shorter periods the following percentages should be applied with interpolations for intermediate periods:

Period—	Percentage of Instantaneous Load
20 seconds .....	50
15 seconds .....	42
10 seconds .....	33 1/2
5 seconds .....	21
3 seconds or less .....	16 2/3

In the matter of the application of ROSS L. FRANKS, do-  
ing business as the CALAPOOIA TELEPHONE COMPANY } U-F-294  
for authority to increase rates.

ORDER ENTERED NOVEMBER 12, 1920—P. S. C. ORDER NO. 663

#### ORDER

Written notice of the time and place of hearing, as fixed by the Commission, was served in the manner and form prescribed by the rules and regulations of the Commission as required by law, upon the applicant, and the City of Sutherlin, the only incorporated town served by the utility, as shown by the files herein, and pursuant thereto public hearing was held on the above numbered application of the Calapooia Telephone Company, at the City Hall in Sutherlin, Douglas County, Oregon, Saturday, October 30, 1920, at 9 o'clock a. m.

The record discloses that prior to this hearing notice thereof was published in the Roseburg Review, a newspaper of general circulation in the county, and no opposition was made to the application.

Witnesses were sworn, testified and the testimony taken by reporter for the Commission.

## FINDINGS

Being fully advised in the premises, after a full consideration of the testimony and record herein, the Commission makes its findings as follows:

1. That the Calapooia Telephone Company is owned and controlled by J. W. Thompson, who conducts and operates a telephone business in the town of Sutherlin and Douglas County. It is a public utility engaged in the ownership, management, operation and control of telephone messages, and as such utility is subject to the provisions of Chapter 279 of the General Laws of Oregon for the year 1911.

2. That Sutherlin is a progressive business town located on the main line of the Southern Pacific Company in the center of a well settled and prosperous orchard district about twelve miles from Roseburg.

3. That this utility, in the past, has collected a differential rate from subscribers of selective and nonselective ringing service; this practice should be discontinued and all subscribers within the primary rate area furnished with selective ringing equipment, and for the betterment of the service not more than four subscribers should be connected to any one circuit within the said primary rate area.

4. That the company may continue, where a subscriber desires, the practice of connecting residence and business service on the same circuit.

(Note.—A subscriber desiring an individual line business service and requesting that his or her residence service be connected on this same line, shall pay the regular rental rate for "unlimited individual business service" plus the regular rate for "unlimited individual residence service.")

5. That based upon average prices weighted so as to approximate as closely as possible the amount of money prudently invested, and by using actual cost, wherever possible, the reproduction cost new as of October 30, 1920, of the fixed capital of this telephone utility is \$4,621.

6. In addition to fixed capital, working capital must be available either as cash or material and supplies, and including development cost and all factors and elements of value, the Commission finds that the value for rate making purposes only as of October 30, 1920, was \$4,991.

7. That considering the character of this plant, a reasonable annual allowance in operating expenses for depreciation on a sinking fund basis is \$207 for the plant as of October 30, 1920. This amount is  $4\frac{1}{2}$  per cent of the reproduction cost new (excepting intangible items), and this amount should, for any later date, be increased by the same percentage on all net additions and betterments (except intangible capital), which are made with the same type of construction as now exists. Improved construction will naturally lessen this percentage.

8. That the company should establish a primary rate area for its exchange services.

9. That the rates hereinafter named are conditioned upon satisfactory service and are based upon a primary rate area covering the city limits of Sutherlin. Service outside of the city limits will be rendered on a mileage basis or under the suburban rate.

10. That as heretofore indicated, the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes and return on the money invested. Therefore, the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Calapooia Telephone Company of Sutherlin, Oregon, for efficient service in lieu of those now in force are as named below:

## SUTHERLIN

<i>Unlimited Business Service</i>	<i>Wall Set * Per Month</i>
Individual line .....	\$2.50
Party line .....	2.00
Extension, with bell .....	.90
Extension, without bell .....	.75
Extension bell only .....	.15
<i>Unlimited Residence Service</i>	
Individual line .....	2.00
Two-party line .....	1.75
Four-party line .....	1.50
Extension, with bell .....	.65
Extension, without bell .....	.50
Extension bell only .....	.15
Suburban line .....	1.50

\* For desk type instruments add 25c per month.

Sig. 4.



*Mileage Rates*

For service outside the primary rate area, the following mileage rates are effective, based upon air line mileage from primary rate area:

	<i>Per Month</i>
Individual line, each quarter mile or fraction thereof .....	\$0.50
Party line, per station, each quarter mile or fraction thereof .....	.25

*Suburban Service*

Suburban circuits (not including pole lines) will be constructed for a distance not exceeding five (5) miles from the primary rate area of the exchange with which they connect, provided the circuits shall average not less than two (2) subscribers per mile with a minimum of five (5) subscribers per circuit.

*Rural Line Switching Service*

Where the subscriber owns and maintains the lines to the town limits, per subscriber, 50c per month.

Minimum per line, \$3 per month.

**ORDER**

Based on the foregoing findings, and entire record herein, the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the Calapoolia Telephone Company, of Sutherlin, Oregon, be, and it hereby is, authorized to adopt and make effective on the date herein specified the rates, rules and regulations hereinbefore in the findings set out as fair, reasonable and not unjustly discriminatory, in lieu of those now in force and effect, found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis for adequate service, and for brevity and in order to make more definite and certain the above and foregoing findings are hereby adopted and by this reference made a part of this order.

IT IS FURTHER ORDERED that the utility within six months eliminate and discontinue the practice of connecting more than four subscribers on a line within the primary rate area, and distribute subscribers to the several classes as they may choose under the rates and regulations as herein set out, such transfer to be without any additional moving charge, and at the least possible disturbance to the patrons, and no subscriber to be billed except at his option for such different service before January 15, 1921, and then only upon written notice by the utility thirty days previous to such change.

PROVIDED, HOWEVER, that the rates thus herein fixed shall be considered the maximum rates for the classes and kinds of service specified, and nothing herein shall be construed as to prevent the utility from making reductions herein or from filing additional rates, rules and regulations for service not specified, providing they do not result in unjust discrimination between subscribers, classes of service or localities in conflict with the intent of this order or other rules and regulations of this Commission.

All the rates, rules and regulations now in effect, in so far as they do not conflict with the provisions of this order, will be permitted to remain in effect.

This order shall be and become effective the fifteenth day of November, 1920, and within ten days hereafter the applicant shall publish and file in the manner and form prescribed by law and the rules and regulations of this Commission a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

In the matter of the application of C. A. BRADFORD'S }  
TELEPHONE LINES for authority to increase rates. } U-F-288

ORDER ENTERED NOVEMBER 29, 1920—P. S. C. ORDER NO. 665

**ORDER**

Written notice of the time and place of hearing, as fixed by the Commission, was served in the manner and form prescribed by the rules and regulations of the Commission, as required by law, upon the applicant and the City of Prairie, the only incorporated town served by the utility, as shown by the files herein, and pursuant thereto public hearing was held on the above numbered application of the C. A. Bradford's Telephone Lines, at the City Hall in Prairie City, Grant County, Oregon, Friday, November 5, 1920, at 2:30 o'clock, p. m.

The record discloses that prior to this hearing notice thereof was published in the Grant County Journal, a newspaper of general circulation in the county, and no opposition was made to the application.

The Commission has taken into consideration the environs of the situation, the size of the plant, size of the community served, and its immediate needs.

#### FINDINGS

Being fully advised in the premises, after a full consideration of the testimony and record herein, the Commission makes its findings as follows:

1. That the C. A. Bradford's Telephone Lines are owned and controlled by C. A. Bradford, who conducts and operates a telephone business in the town of Prairie City and vicinity in Grant County, Oregon. It is a public utility engaged in the ownership, management, operation and control of a plant and equipment for the conveyance of telephone messages, and as such utility is subject to the provisions of Chapter 279 of the General Laws of Oregon for the year 1911.

2. That Prairie City is a progressive business town located at the western terminus of the Sumpter Valley Railway, in the center of a sparsely settled but thriving farming district.

3. That this utility, in the past, has not attempted to grade its residence service into individual and party lines and that the same rate has been collected from subscribers of a party line as from the subscribers enjoying an individual line service. For the betterment of the service not more than four subscribers should be connected to any one circuit within the primary rate area and a graded service should be established.

4. That the utility should discontinue the practice of allowing a differential rate in cases where a subscriber desires residence and business service on the same line.

(Note.—A subscriber desiring an individual line business service and requesting that his or her residence service be connected on this same line shall pay the regular rental rate for "unlimited individual business service" plus the regular rate for "unlimited individual residence service.")

5. That based upon average prices weighted so as to approximate as closely as possible the amount of money prudently invested, and by using actual cost, wherever possible, the reproduction cost new as of October 30, 1920, of the fixed capital of this telephone utility is \$13,196.

6. In addition to fixed capital, working capital must be available either as cash or material and supplies, and including development cost and all factors and elements of value, the Commission finds that the value for rate making purposes only as of October 30, 1920, was \$14,120.

7. That considering the character of this plant, a reasonable annual allowance in operating expenses for depreciation on a sinking fund basis is \$657 for the plant as of October 30, 1920. This amount is 5 per cent of the reproduction cost new (excepting intangible items), and this amount should, for any later date, be increased by the same percentage on all net additions and betterments (except intangible capital), which are made with the same type of construction as now exists. Improved construction will naturally lessen this percentage.

8. That the company should establish a primary rate area for its exchange services.

9. That the rates hereinafter named are conditioned upon satisfactory service and are based upon a primary rate area covering the city limits of Prairie City. Service outside the city limits will be rendered on a mileage basis or under the suburban rate.

10. That as heretofore indicated, the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes and return on the money invested. Therefore, the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the C. A. Bradford's Telephone Lines for efficient service in lieu of those now in force are as named below:

## PRAIRIE CITY

*Unlimited Business Service*

	Wall Set * Per Month
One-party line .....	\$3.50
Two-party line .....	3.00
Suburban line .....	3.00
Extension, without bell .....	.75
Extension, with bell .....	.90
Extension bell only .....	.15

*Unlimited Residence Service*

One-party line .....	2.25
Four-party line .....	1.75
Suburban line .....	2.25
Extension, without bell .....	.50
Extension, with bell .....	.65
Extension bell only .....	.15

\* For desk set add 25c per month to above rates.

*Mileage Rates*

For service outside the primary rate area, the following mileage rates are effective, based upon air line mileage from primary rate area:

	Per Month
Individual line, each quarter mile or fraction thereof .....	\$0.50
Party line, per station, each quarter mile or fraction thereof .....	.25

*Suburban Service*

Suburban circuits (not including pole lines) will be constructed for a distance not exceeding five (5) miles from the primary rate area of the exchange with which they connect, provided the circuits shall average not less than two (2) subscribers per mile with a minimum of five (5) subscribers per circuit.

*Rural Line Switching Service*

Where the subscriber owns and maintains the lines to the town limits, per subscriber, 50c per month.

Minimum per line, \$3 per month.

## ORDER

Based on the foregoing findings and entire record herein, the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the C. A. Bradford's Telephone lines of Prairie City, Oregon, be, and it hereby is, authorized to adopt and make effective on the date herein specified the rates, rules and regulations hereinbefore in the findings set out as fair, reasonable and not unjustly discriminatory, in lieu of those now in force and effect, found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis for adequate service, and for brevity and in order to make more definite and certain, the above and foregoing findings are hereby adopted and by this reference made a part of this order.

IT IS FURTHER ORDERED that the utility within six months eliminate and discontinue the practice of connecting more than four subscribers on a line within the primary rate area and distribute subscribers to the several classes as they may choose under the rates and regulations as herein set out, such transfer to be without any additional moving charge, and at the least possible disturbance to the patrons, and no subscriber will be billed for such different service only upon written notice by the utility thirty days previous to such change.

PROVIDED, HOWEVER, that the rates thus herein fixed shall be considered the maximum rates for the classes and kinds or service specified, and nothing herein shall be construed as to prevent the utility from making reductions herein or from filing additional rates, rules and regulations for service not specified, providing they do not result in unjust discrimination between subscribers, classes of service or localities in conflict with the intent of this order or other rules and regulations of this Commission.

All the rates, rules and regulations now in effect, in so far as they do not conflict with the provisions of this order, will be permitted to remain in effect.

This order shall be and become effective the first day of December, 1920, and within ten days hereafter the applicant shall publish and file, in the manner and form prescribed by law and the rules and regulations of this Commission, a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

In the matter of the application of McMINNVILLE LOCAL  
& LONG DISTANCE TELEPHONE COMPANY for authority } U-F-301  
to increase rates.

ORDER ENTERED NOVEMBER 29, 1920—P. S. C. ORDER NO. 666

#### ORDER

Written notice of the time and place of hearing, as filed by the Commission, was served in the manner and form prescribed by the rules and regulations of the Commission, as required by law, upon the City of McMinnville, the only incorporated town served by the applicant, as shown by the files herein, and pursuant thereto public hearing was held on the above numbered application of the McMinnville Local & Long Distance Telephone Company, a corporation, at the Courthouse in McMinnville, Yamhill County, Oregon, Tuesday, September 7, 1920, at 10:30 a. m.

The record discloses that prior to this hearing notice thereof was published in the Telephone Register, a newspaper of general circulation in the county, and no opposition was made to the application.

Witnesses were sworn, testified and testimony taken by reporter for the Commission.

#### STATEMENT

The McMinnville Local & Long Distance Telephone Company owns, operates and controls a telephone exchange at McMinnville, Oregon, having telephone lines in the city and immediate vicinity and also does switching for a number of farmer owned lines.

There are about 760 telephones connected with this exchange exclusive of the 260 subscribers on farmer owned lines. The company has connection with the Amity Mutual, Lafayette, Sheridan-Willamina, Yamhill Mutual and the Yamhill County Mutual Telephone Companies. Long distance connection is also maintained with the lines of the Pacific Telephone & Telegraph Company.

This company now renders a six-party residence service and has expressed its desire to discontinue same at some future date. The Commission is of the opinion that where there are fewer parties on a line service is more satisfactory, but inasmuch as there were no complaints against service rendered in McMinnville, and due to the physical condition of the plant, this service will not be discontinued by this order. Future additions to and reconstruction of plant, however, should be made in a manner that will permit the discontinuance of this service at a reasonable expense.

The outside plant is somewhat deteriorated and should be reconstructed at an early date, and to care for future development, additional plant must be provided.

The original outside plant was constructed of good material and in such manner as would have permitted the reconstruction work to have been accomplished at very reasonable cost, but since the telephone plant was constructed a municipal electric generating and distributing plant has been built in McMinnville and surrounding community, underbuilding the lines of the telephone company in such a manner that the cost of reconstructing the telephone plant will be, in some cases, almost prohibitive. Testimony given at the hearing indicates that the City of McMinnville, in constructing its lighting plant, disregarded to some extent the Commission's "General Regulations" governing overhead and underground construction of telegraph, telephone, signal, trolley and power lines within Oregon, which was issued August 29, 1913, and effective October first of that year. Testimony given at the hearing indicates that the municipal electric plant disregarded, to some extent at least, these rules and regulations.

Aside from the safety feature, the direct and inevitable result of such a construction policy as has been pursued by the municipality will be that patrons and subscribers of the telephone company will face higher rental rates for telephone service, while the rates for electric service will appear subnormal. That such a policy is discriminatory and unjust is apparent and contrary to the spirit if not the letter of the telephone franchise.

The salaries of operators have advanced nearly 100 per cent since the rates now in effect, both in the city and in the country, were initiated; and all labor and likewise materials have advanced materially. Approximately two-thirds of the operating expense is labor, and the company, under the present rates, has not earned a reasonable return on the money invested in the property.

The rates applied for by the applicant will produce revenue in excess of the amount required to meet the actual operating expenses, depreciation, taxes and a reasonable return on the money invested and have, therefore, not been granted.

While this utility in the past has failed to make adequate provision for depreciation, and permitted its reserve to become somewhat impoverished, it has not neglected to declare dividends semiannually, nor has it refrained from transferring to its surplus account money which apparently should have been credited to the depreciation reserve account. Such accounting methods do not receive the approval of the Commission and should not be practiced by the utility.

Providing the utility is in need of funds for reconstruction purposes at this time, it might be expected, and equitably so, to transfer from its surplus account such an amount as is due to its reserve account. In any event, it would not be just or reasonable to ask the present day subscribers to submit to, or the Commission to permit of an increase in rates to provide for a deficiency created through improper and irregular accounting methods.

A check of the accounts of the company was made by the Commission's engineering staff, taking as a basis, the value found in this Commission's Order No. 93, effective July 1, 1916. To the value found in the above order was added the actual cost of additions and betterments since September 25, 1915, to June 30, 1920, the result approximates as closely as practicable the prudent investment in plant and equipment.

### FINDINGS

Being fully advised in the premises, after a full consideration of the testimony and record herein, the Commission makes its findings as follows:

1. That the McMinnville Local & Long Distance Telephone Company is a corporation organized and existing under the laws of the State of Oregon, is a public utility as defined in Chapter 279 of the General Laws of Oregon for 1911, owning and operating an exchange in the City of McMinnville, Yamhill County, Oregon, and controlling and maintaining lines in that city and community, and furnishing local and long distance exchange service as generally defined by such terms.

2. That the authorized capital stock of the applicant is \$40,000, of which \$29,600 is issued and outstanding.

3. That as of September 25, 1915, by Order No. 93 this Commission, considering all elements, found for rate making purposes the value of this utility as a going concern the sum of \$43,911.

4. That as of June 30, 1920, taking into consideration additional development since September 25, 1915, the condition of the utility as a going concern, all proper elements and factors including allowance for necessary working capital to properly carry on the business, this Commission finds \$48,207 as the value for rate making purposes.

5. That there has been a considerable increase in wages to both operators and linemen and increase in the cost of materials; that the utility can not properly maintain its system and render adequate service to its patrons if its receipts are insufficient to meet operating costs and a reasonable return on the money prudently invested, including the prevailing scale of wages, and can not obtain money to make extensions to its plants and afford additional and efficient service, if its credit is impaired by lack of revenue.

6. That considering the character of this plant the annual allowance in operating expenses for depreciation on a sinking fund basis is \$1,868 for the plant as of June 30, 1920. This amount is 4 per cent of the reproduction cost new (excepting intangible), and this amount should, for any later date, be increased by the same percentage on all net additions and betterments (except intangible capital), which are made with the same type of construction as now exists. Improved construction will naturally lessen this percentage.

8. That under all circumstances strict accounts in all departments must be kept, together with correct working sheets, that the actual cost and expenditures for replacements, additions, betterments and extensions may be accurately shown. Such precision is imperative.

9. That as heretofore indicated the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes and a fair return on money invested; therefore, the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service. That the fair,

reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the McMinnville Local & Long Distance Telephone Company in McMinnville and vicinity for efficient service in lieu of those now in force are as named below:

	Wall Set * Per Month
<i>Unlimited Business Service</i>	
Individual line .....	\$3.50
Two-party line .....	3.00
Extension, with bell .....	.90
Extension, without bell .....	.75
<i>Unlimited Residence Service</i>	
Individual line .....	1.75
Two-party line .....	1.50
Six-party line .....	1.00
Extension, with bell .....	.65
Extension, without bell .....	.50

\* For desk type instruments, add 25c per month.

#### *Rural Line Service*

Where the subscriber owns and maintains the lines to the town limits, per subscriber .....	.50
Minimum, per line .....	3.00
Rent of magneto wall telephone .....	.25

### ORDER

Based on the foregoing findings, and the entire record herein, the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the McMinnville Local & Long Distance Telephone Company of McMinnville, Oregon, be, and it hereby is, authorized to adopt and make effective on the date herein specified the rates, rules and regulations hereinbefore in the findings set out as fair, reasonable and not unjustly discriminatory, in lieu of those now in force and effect, found to be insufficient, unreasonable, inadequate and unjustly discriminatory, and not such as to furnish a basis for adequate service, and for brevity and in order to make more definite and certain the above and foregoing findings are hereby adopted and by this reference made a part of this order.

PROVIDED, HOWEVER, that the rates thus herein fixed shall be considered the maximum rates for the classes and kinds of service specified, and nothing herein shall be construed as to prevent the utility from making reductions therein or from filing additional rates, rules and regulations for service not specified, providing they do not result in unjust discriminations between subscribers, classes of service of localities in conflict with the intent of this order or other rules and regulations of this Commission.

All the rates, rules and regulations now in effect, in so far as they do not conflict with the provisions of this order, will be permitted to remain in effect.

This order shall be and become effective the first day of December, 1920, and within ten days hereafter the applicant shall publish and file in the manner and form prescribed by law and the rules and regulations of this Commission a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

In the matter of the petition of the COTTAGE GROVE ELECTRIC COMPANY for increase in rates. } U-F-305

ORDER ENTERED NOVEMBER 29, 1920—P. S. C. ORDER NO. 667

Written notice of the time and place of hearing, as fixed by the Commission, was served in the manner and form prescribed by the rules and regulations of the Commission, as directed by law, upon the applicant and the City of Cottage Grove, and notice was also published in the Cottage Grove Sentinel, a weekly newspaper of general circulation in said community, all of which is shown by the returns on file herein, and pursuant thereto public hearing was held on the above named application of the Cottage Grove Electric Company at the City Hall, City of Cottage Grove, Lane County, Oregon, on the fifth day of August, 1920, at 9:30 a. m.

Witnesses on behalf of both the applicant and city and patrons were sworn, testified and testimony taken by reporter for the Commission.

## STATEMENT

The applicant is a corporation organized and existing under the laws of the State of Oregon, with a capital of \$50,000, all stock outstanding, and \$15,000 bonded indebtedness due in 1933 drawing interest at the rate of 6 per cent, and a note obligation of \$7,500.

This utility was purchased by the present owners in 1908, the stock consisting of 500 shares, 251 now outstanding in the name of A. M. Kem; 125 shares in the name of C. M. Shinn, and 124 shares in the name of M. M. Shinn, wife of C. M. Shinn.

The whole record is pregnant with evasion and attempt to conceal that which is most important to the Commission and to patrons in attempting to arrive at a proper solution. Where the record is void of any semblance or attempt even to approximate the revenues then it is entirely barren of anything upon which to base an order fixing rates. A reasonable time over which an accurate account of the income and disbursements on which to predicate an order would be a year, and until the figures are available covering approximately such period there is no possible way even under the most extraordinary circumstances to fix fair and equitable rates.

The property is in place and has been carefully checked and inventoried and the figures herein given approximate the correct valuation. The annual reports submitted are in many particulars inaccurate and therefore it is unnecessary to go into this matter in further detail. It would have been very helpful if there had been facts and figures available on the part of the utility for purposes of tracing the original cost of plant items, but in the absence of this data it is possible to ascertain the cost by reference to the price records. There are, however, two items upon which the city offered testimony, to wit: "Land devoted to electric operations" and "Power plant buildings." There is a wide difference of opinion among those informed on the subject and their estimates of value were far below that fixed by the witnesses for the utility. We are inclined to accept the values given by citizens of Cottage Grove who qualified themselves by showing that they were familiar with land values and buildings.

The plant, it so happens, is strategically located near the sawmill or planing mill where it obtains considerable fuel by a conveyor system. However, the planer does not furnish sufficient fuel to operate on and the utility itself is forced to keep in reserve a large amount of wood ready and available for use at any time the planing mill suspends or is unable for any other reason to supply necessary fuel. This fact naturally necessitates a larger working capital than might otherwise be necessary.

The inventory and valuation submitted by the utility was carefully checked and the plant inspected by the engineers for the Commission.

No depreciation account has ever been kept nor, for that matter, has there been any segregation whatever of any accounts that would be dependable or instructive to any one investigating this utility's operations.

It is very unusual to find such lack of familiarity with the purchase price of a going concern, more especially of a utility, as was evidenced in this hearing. It would lead one to think that there was lack of capacity or lack of willingness, perhaps both. There seemed to be no effort to present actual figures as to betterments and additions although this property has been under the same management and control for more than twelve years. The actual cost data would perhaps not affect the result to any appreciable degree, yet it would have saved considerable time and research on the part of the engineers and the Commission in arriving at the fair value. The record in this hearing, including the numerous exhibits, has been very carefully considered by the Commission, in arriving at a conclusion, and the incompleteness of data and records has made it laborious.

## FINDINGS

Being fully advised in the premises, and based upon the statement and the record in this case, the Commission makes its findings as follows, to wit:

1. That the Cottage Grove Electric Company is a corporation organized and existing under the laws of the State of Oregon and engaged in the operation of an electric utility at Cottage Grove, Oregon.

2. That in addition to fixed capital, working capital, either in cash or in stores and supplies, is necessary, and that, taking all the fundamental factors of value into consideration, the Commission now finds that the value of this plant for rate making purposes is \$68,067.

3. That the amount to be charged as of June 1, 1920, to operating expenses as depreciation (retirement expense) is \$2,642 annually. Unless otherwise provided at a later date the net amount charged to operation for retirement expense

shall be concurrently withdrawn from cash or similar assets and placed in a depreciation fund and the moneys in this fund shall be expended in accordance with Section 17 of the Public Utility act of Oregon. Final withdrawals from this fund for replacements may be made only in the amount of the actual accrual upon plant items retired. All other withdrawals shall be considered as loans from the fund and interest thereon shall be paid to the fund in such amount that the total interest additions to the fund shall equal not less than 4 per cent per annum upon all moneys in the fund not permanently withdrawn. The depreciation reserve account shall be credited for the amounts charged to the depreciation fund for interest accruals.

4. That the utility has been grossly negligent and delinquent in its duty in the making out and filing of its annual reports to this Commission and in its accounting system, and that the record is insufficient to warrant the Commission in making an order fixing rates for the use of light and power.

5. That henceforth under all circumstances strict accounts of the revenues and of all retirements must be kept by this utility, together with correct working sheets showing the actual cost and expenditures for replacements, additions, betterments and extensions, and precision is absolutely imperative.

#### ORDER

Based upon the foregoing findings and record herein the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the valuation as herein given be, and is hereby, adopted as a basis for rate making, and for brevity and in order to make more definite and certain, the above and foregoing findings are by this reference hereby adopted and made a part hereof.

IT IS FURTHER ORDERED that the application on the part of the utility for increase in rates is hereby in all things denied, AND IT IS SO ORDERED.

In the matter of the shipping facilities at Talbot Station, County of Marion, State of Oregon, on the main line of the Oregon Electric Railway. } F-914

ORDER ENTERED DECEMBER 1, 1920—P. S. C. ORDER NO. 669

#### ORDER

On the twelfth day of July, 1920, certain residents of the community in and around Talbot Station, Oregon, filed with this Commission a petition alleging that the loading facilities maintained by the Oregon Electric Railway Company at said station were not sufficient or adequate for the proper and convenient loading of cars with wood and other commodities shipped by said residents from said point in carload lots, and asking that the Commission investigate the matter by formal hearing.

On the twenty-fourth day of July, 1920, the Oregon Electric Railway Company, by its attorneys, filed with this Commission an answer to such said petition alleging that the loading facilities at Talbot Station were in all respects adequate and sufficient for such station.

After due and legal notice to all interested parties the above entitled matter came on for public hearing and investigation before the Commission on Thursday, the twenty-eighth day of October, at the office of the Commission, Statehouse, Salem, Oregon, at the hour of 1:30 p. m., at which time and place witnesses were called, their testimony taken; and the Commission now being fully advised in the premises, the matter stands ready for final determination and order.

#### STATEMENT

The Oregon Electric Railway Company is a common carrier operating within the State of Oregon, with a station for the accommodation of passengers and freight at Talbot, in the County of Marion, State of Oregon, and said station is an active shipping point for the products for market produced in this vicinity.

At the present time said railway company maintains a siding for the spotting of cars, at said shipping point, and that the loading space there at present is limited to four cars; that in order to reach a proper position alongside of said



cars for the convenient loading of same at times it is necessary to back the load in, which is very difficult and unsatisfactory and almost impossible; that it is not practical for more than one shipper to load at any one time.

It is estimated that much more fuel and pulp wood, as well as other commodities, such as cattle, hogs and hops, in carload lots, could have been shipped from said point during the past two months if proper driveways and loading facilities had been provided.

The market for wood is seasonal, and in order to get the highest prices it is necessary that most of the wood cut in this vicinity be loaded and delivered to market during the months of September and October. It has been necessary for the wood shippers in and around Talbot because of the limited car space to stack their wood and hold the same over until next year, thereby causing considerable loss to said shippers by double handling.

It likewise appears from the testimony that the road leading from the county road to the team track at said station is in very poor condition and that during the wet weather it is muddy and at times almost impassable.

That the environs and topography of the ground in the immediate vicinity of said siding are such as to make the extension of said siding and team track practical and necessary.

The above facts were practically admitted by the railroad company at the hearing.

#### FINDINGS

Based upon the above statement of facts, and the record herein, the Commission makes the following findings:

1. That the loading facilities and space at Talbot Station, Marion County, Oregon, are not sufficient or adequate for the needs of shippers in that vicinity, and should be increased so as to permit the spotting and loading of at least eight cars at the same time on said siding or team track.

2. That the road leading from the county road to the siding or team track at said point and the road adjoining said team track are in very bad condition and should be improved and extended to meet the demands of the shippers at said point.

3. That the application herein should be granted and an order issued requiring the Oregon Electric Railway Company to lengthen said siding or team track, and the wagon road adjoining said team track, so as to provide for the spotting of at least eight cars at one time and the convenient loading and unloading thereof, and the improving of said road leading from the county road connecting with the team track.

Therefore, based on the above findings:

IT IS HEREBY ORDERED that the Oregon Electric Railway Company be, and it hereby is, ordered to increase and extend in a northerly direction the siding or team track and the wagon road adjoining same at Talbot Station, Marion County, Oregon, so as to accommodate the spotting and loading of not less than eight cars at one time and provide for the convenient loading and unloading thereof, by improving the wagon track; and

IT IS FURTHER ORDERED that said railroad company be, and it hereby is, required to improve and maintain said wagon road on its property leading from the county road or the main highway to the team track at said Talbot Station and the road adjoining said team track in such a condition as to make same convenient and sufficient for the travel thereover. Said above mentioned improvements to be completed within thirty (30) days from the date hereof, AND IT IS SO ORDERED.

In the matter of the application of the SHERIDAN-WILLAMINA TELEPHONE COMPANY for authority to increase rates. } U-F-310

ORDER ENTERED DECEMBER 14, 1920—P. S. C. ORDER NO. 671

#### ORDER

Written notice of the time and place of hearing, as filed by the Commission, was served in the manner and form prescribed by the rules and regulations of the Commission, as required by law, upon the City of Sheridan and the City of Willamina, the only incorporated towns served by the applicant, as shown by the files herein, and pursuant thereto public hearing was held on the above

numbered application of the Sheridan-Willamina Telephone Company, a corporation, at the City Hall, Sheridan, Oregon, Friday, December 4, 1920, at the hour of 11 o'clock a. m.

The record discloses that prior to this hearing notice thereof was published in the Sheridan Sun, a newspaper of general circulation in the counties of Polk and Yamhill, and no opposition was made to the application.

Upon completion of the taking of testimony the case was submitted.

#### STATEMENT

This company owns, operates and controls two magneto telephone exchanges, one at Sheridan and the other at Willamina, some five miles apart.

There are about 368 telephones connected to the Sheridan exchange, and 108 stations are connected to the exchange at Willamina. Free service is rendered between these two exchanges, established principally by reason of the community interest between the two towns. The company has long distance connection with the Pacific Telephone and Telegraph Company and is also interested in commercial lines between Sheridan, Amity, Dallas and McMinnville; connection with the Grande Ronde Telephone Company is also available through the Willamina exchange. No toll charge has been collected by the applicant for conversations from subscribers' stations over these commercial lines except the line between Sheridan and McMinnville, where a 5-cent charge has been in force. Testimony offered by subscribers at the hearing indicates that it is the desire of the patrons that free service over the commercial lines of the company with outside exchanges should be discontinued and a toll charge established. Such a charge would eliminate unnecessary use of the line and provide a more equitable distribution of the expense.

The company now renders a four-party business service and a six or more party residence service. The Commission does not desire to censure the company for developing this class of business, but it is the opinion of the Commission that service conditions would be materially improved by the elimination of more than two subscribers on a business line and not to exceed four subscribers on a residence line.

Notwithstanding the fact that this company is curtailing expenses by employing a repairman for short intervals when necessity requires, the annual revenue has been inadequate to defray actual operating expenses and provide a reserve for accruing depreciation, aside from a reasonable return on the investment.

It is apparent, from the record herein, that the company is being operated at a loss and it has no capital with which to make replacements and properly maintain the present property. It is highly necessary and convenient to have this company operating, and it is inevitable, owing to the age of the lines, that some needful repairs and deferred maintenance be reached at an early date. Many of the poles require replacement or stubbing, and increased revenue is necessary in order that there may be no impairment of the service. The company, in the past, has, apparently through the lack of sufficient revenues, failed to make adequate provision for depreciation, and permitted the system to become somewhat deteriorated.

Approximately two-thirds of the operating expense is labor, and the company under the present rates is unable to pay operating expenses and provide for depreciation, and a reasonable return on the investment. The salaries of the operators and all labor and likewise material have advanced quite materially since the rates now in effect were first initiated, and the applicant's need for greater revenue is based on the increased cost of operation occasioned by the extreme increase in the cost of labor and material during the past few years.

The rates applied for by the applicant will produce revenues in excess of the amount required to meet the actual operating expenses, depreciation, taxes and a reasonable return on the money invested, and have, therefore, not been granted.

The company, in the past, has collected a differential rate for subscribers whose business and residence telephones were connected on the same circuit. This practice results in discrimination, and should be discontinued.

A full and complete check of the physical property of the Sheridan-Willamina Telephone Company of Sheridan was made by the Commission's engineering staff, taking as a basis the inventory and appraisal report submitted by the company upon demand of the Commission. To the items of property were applied average prices so weighted that the result approximates as closely as practicable the prudent investment in the plant. Estimated overhead expenses ordinarily

required to be borne in the construction of the telephone properties were added. The result was an estimated reproduction cost new of the fixed capital (plant) as of November 30, 1920.

The Commission has taken into consideration the environs of the situation, the size of the plant, size of the community served, and its immediate needs. It is impossible to expect a full twenty-four hour service, but such hours as the Company does not maintain regular service should be protected so that emergency calls will be switched without undue delay.

#### FINDINGS

Being fully advised in the premises, after a full consideration of the testimony and record herein, the Commission makes its findings as follows:

1. That the Sheridan-Willamina Telephone Company is a corporation organized and existing under the laws of the State of Oregon, is a public utility as defined in Chapter 279 of the General Laws of Oregon for 1911, owning and operating exchanges in the cities of Sheridan and Willamina, Yamhill County, Oregon, and controlling and maintaining lines in these cities and communities, furnishing local exchange and long distance telephone service as generally defined by such terms.

2. That the authorized capital stock of the applicant is \$5,000, all of which is outstanding.

3. That this company should discontinue the practice of rendering free service over its commercial lines, and in lieu thereof establish a nominal toll charge that these lines may afford a faster and better service than is possible under the present plan.

4. That the company may continue, where a subscriber desires, the practice of connecting residence and business service on the same circuit.

(Note.—A subscriber desiring an individual line business service and requesting that his or her residence service be connected on this same line shall pay the regular rental rate for "unlimited individual business service" plus the regular rate for "unlimited individual residence service.")

5. That the company should establish a primary rate area for each of its exchanges.

6. That the rates hereinafter named are conditioned upon satisfactory service and are based upon a primary rate area covering the city limits of each exchange. Service outside the city limits will be rendered on a mileage basis or under the suburban rate.

7. That based upon average prices weighted so as to approximate as closely as possible the amount of money prudently invested, and by using actual cost, wherever possible, the reproduction cost new as of November 30, 1920, of the fixed capital of this telephone utility is \$16,770.

8. In addition to fixed capital, working capital must be available either as cash or material and supplies, and including development cost and all factors and elements of value, the Commission finds that the value, for rate making purposes as of November 30, 1920, was \$17,775.

9. That considering the character of this plant, a reasonable annual allowance in operating expenses for depreciation on a sinking fund basis is \$751 for the plant as of November 30, 1920. This amount is  $4\frac{1}{2}$  per cent of the reproduction cost new (excepting intangible items), and this amount should, for any later date, be increased by the same percentage on all net additions and betterments (except intangible capital), which are made with the same type of construction as now exists. Improved construction will naturally lessen this percentage.

11. That as heretofore indicated, the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes and return on the money invested. Therefore, the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Sheridan-Willamina Telephone Company of Sheridan, Oregon, for efficient service in lieu of those now in force are named below:

## SHERIDAN

*Unlimited Business Service**Wall Set \*  
Per Month*

Individual line .....	\$3.25
Party line .....	2.75
Extension, with bell .....	.90
Extension, without bell .....	.75
Extension bell only .....	.15
Suburban line .....	3.25

*Unlimited Residence Service*

Individual line .....	2.00
Two-party line .....	1.75
Four-party line .....	1.50
Extension, with bell .....	.65
Extension, without bell .....	.50
Extension bell only .....	.15
Suburban line .....	1.50

## WILLAMINA

*Unlimited Business Service**Wall Set \*  
Per Month*

Individual line .....	\$3.25
Party line .....	2.75
Extension, with bell .....	.90
Extension, without bell .....	.75
Extension bell only .....	.15
Suburban line .....	3.25

*Unlimited Residence Service*

Individual line .....	2.00
Two-party line .....	1.75
Four-party line .....	1.50
Extension, with bell .....	.65
Extension, without bell .....	.50
Extension bell only .....	.15
Suburban line .....	1.50

These rates contemplate the ownership, by the company, of all instruments connected to its lines.

*Toll Charges**Station to  
Station Rate*

Sheridan to Amity .....	\$0.05
Sheridan to Dallas .....	.10
Sheridan to McMinnville .....	.05

\* For desk type instruments, add 25c per month.

The above charges are for an initial period of five minutes or fraction thereof; and 5 cents additional will be charged for each three minutes or fraction thereof.

*Mileage Rates*

For service outside the primary rate area, the following mileage rates are effective, based upon air line mileage from primary rate area:

	<i>Rate per Month</i>
Individual line, each quarter mile or fraction thereof .....	\$0.50
Party line, per station, each quarter mile or fraction thereof .....	.25

*Suburban Service*

Suburban circuits (not including pole lines) will be constructed for a distance not exceeding five (5) miles from the primary rate area of the exchange with which they connect, provided the circuits shall average not less than two (2) subscribers per mile with a minimum of five (5) subscribers per circuit.

*Rural Line Switching Service*

Where the subscriber owns and maintains the line to the town limits, per subscriber, 50c per month.

Minimum per line, \$3 per month.

## ORDER

Based on the foregoing findings, and entire record herein, the Commission makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the Sheridan-Willamina Telephone Company, of Sheridan, Oregon, be, and it hereby is, authorized to adopt and make effective on the date herein specified the rates, rules and regulations hereinbefore in the findings set out as fair, reasonable and not unjustly discriminatory, in lieu of those now in force and effect, found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis for adequate service, and for brevity and in order to make more definite and certain the above and foregoing findings are hereby adopted and by this reference made a part of this order.

IT IS FURTHER ORDERED that the utility, within six months, shall eliminate and discontinue the practice of connecting more than four subscribers on a line within the primary rate area and distribute subscribers to the several classes as they may choose under the rates and regulations as herein set out, such transfer to be without any additional moving charge, and at the least possible disturbance to the patrons, and no subscriber to be billed except at his option for such different service before February 1, 1921, and then only upon written notice by the utility thirty days previous to such change.

PROVIDED, HOWEVER, that the rates thus herein fixed shall be considered the maximum rates for the classes and kinds of service specified, and nothing herein shall be construed as to prevent the utility from making reductions herein or from filing additional rates, rules and regulations for service not specified, providing they do not result in unjust discriminations between subscribers, classes of service or localities in conflict with the intent of this order or other rules and regulations of this Commission.

All the rates, rules and regulations now in effect, in so far as they do not conflict with the provisions of this order, will be permitted to remain in effect.

This order shall be and become effective the first day of January, 1921, and within ten days hereafter the applicant shall publish and file, in the manner and form prescribed by law and the rules and regulations of this Commission, a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.

In the matter of the application of the DRAIN WATER  
COMPANY (main office at Cottage Grove, Oregon) to  
revise its present schedule of rates, rules and prac- } U-F-304  
tices.

ORDER ENTERED DECEMBER 14, 1920—P. S. C. ORDER NO. 673

This matter is before the Commission upon the petition of the Drain Water Company for permission to revise its present schedule of rates, rules and practices.

Written notice of the time and place of hearing as fixed by the Commission was served in the manner and form prescribed by the rules and regulations of this Commission as directed by law upon the applicant, and the City of Drain, as shown by the files herein, and pursuant thereto public hearing was held on the above numbered application of the Drain Water Company, a corporation, at the City Hall in Drain, Douglas County, Oregon, on Thursday, the sixth day of August, 1920.

Witnesses on behalf of both applicant and patrons were sworn, testified and testimony taken by reporter for the Commission.

## STATEMENT

The petition of the applicant alleges that the Drain Water Company is a corporation operating a water system in the town of Drain, Douglas County, Oregon, and that the rates and regulations now in force and effect fail to yield operating expenses, depreciation and return on the investment.

Testimony shows that originally the water was obtained to the east of Drain and stored in a reservoir and piped across a small creek, and the Southern Pacific Company right of way, and thence to the distributing system in the town of Drain. Later it was found that this source of supply for this reservoir

was inadequate for the demands of the town and another gravity system was installed taking water out of Bear Creek about four miles westerly from Drain. This is now the exclusive source of the water supply for the entire system. While the reservoir is connected up with this new supply, the last few years it has not been in use, nor has it held any water available for the city. It is possible, however, to fill this reservoir from the present source, providing the Southern Pacific pipe leading from the distribution main to the company's water tank is closed. The Southern Pacific Company now takes water from this utility for its engines at Drain and is the heaviest consumer. The transmission line is chiefly a six-inch wooden pipe and the water for municipal and domestic purposes is taken direct from this main, without recourse to the use of the reservoir.

To secure the desired pressure for the fighting of fires or similar emergency purposes, it is now necessary to close the pipe line leading to the Southern Pacific water tank. The franchise in the town of Drain provides for sufficient pressure to operate three lines of hose but owing to lack of pressure for the last few years, due to the nonuse of the reservoir, it has been impossible for the company to comply with this franchise requirement, as a consequence of which the City of Drain has refused to pay its bills, or any remuneration to the company for service. However, at all times by the closing of the pipe to the railroad water tank there has been sufficient pressure to operate two hose lines at the same time.

It is not quite clear whether or not two hose lines would be sufficient to successfully control all fires, but in any event it appears reasonable that the city should pay the company a commensurate rate for this service. If the company is to maintain its plant properly it should be granted reasonable rates for the service. Material and labor have both advanced a considerable percentage since the present rates were initiated. It is not practicable at this time, on account of the price of labor and materials to purchase and install meters, and therefore the rates, rules and regulations herein provided will be predicated on a basis of flat service. Neither would it be advisable to change the system of procuring water, and it is therefore apparent that all patrons should conserve the supply in so far as it is consistent with the circumstances. During the summer months the supply of water is somewhat curtailed, but during the balance of the year when naturally the water is in least demand for municipal or domestic purposes there is a considerable balance available.

It appears that every restraint and safeguard should be imposed that will not unreasonably impair the use of the water by the patrons. To this end the pipe leading to the Southern Pacific tank should be shut off whenever it is filled or in case of a fire, and further, some one should be employed to supervise the plant system.

If it develops upon further investigation that the company would be justified in repairing and putting into use as part of its system the reservoir, and the pipe line from the reservoir to the City of Drain, then, and in that event, in all fairness, that part of the plant should be included in the valuation of the system upon which the company is entitled to an adequate return. It would only be useful to the extent of augmenting present pressure for fire fighting or other emergency purposes. For domestic uses there is no doubt but what the source of the present supply of water is excellent. To fill the reservoir it would be necessary during certain periods of the day or night to shut off the pipe leading to the Southern Pacific water tank. As noted this would require additional investment and whether the company and the city feel justified in doing it is a matter of speculation. The company would have to expend a considerable sum in properly repairing and equipping the reservoir and pipe line for service, and the city necessarily should pay a considerably increased rate as a hydrant rental. At this time the matter will be left entirely for the city to determine.

The next question involved is the valuation. In considering that phase for the rates hereinafter made the reservoir and pipe line from the reservoir to the city will be eliminated, as that part of the water system is not now in service according to the testimony. The Commission has made a careful investigation and inspection of the plant through its engineers, and the results arrived at were obtained after careful study.

Testimony shows that the water pipe installed in this system is now of such an age that maintenance expenses can be expected to increase. Heretofore no charge has been made for manager's duties and for keeping the accounts of the utility. Allowance has been made for the actual expenses to meet these needs, and will increase the normal operation approximately \$925, without includ-

ing an allowance for depreciation, which will increase the total estimated operating expenses to approximately \$1,715. With the present revenue of not to exceed \$2,300, a return is shown on the investment of \$585.

It is evident from an analysis of the income statement that the utility is entitled to relief. It seems that no rental has been paid by the city for hydrant rentals. A test by the Commission's engineer indicated that the present pressure will supply two nozzles and would give fire protection adequate for the residence portion of the town and probably for the business portion as now constituted. This pressure is being supplied by the transmission mains without the aid of a reservoir. A rate for this lesser fire protection is fixed accordingly. The Southern Pacific Company, as the testimony would indicate, has not been paying an adequate sum for service rendered and this charge, therefore, will be fixed in the rates hereinafter set out.

There was no complaint made by any of the patrons on account of the quality of the water or character of the service. By the rates hereinafter fixed we have assumed that all patrons will bear their just portion of the rates established.

#### FINDINGS

Being fully advised in the premises after a full consideration of the testimony and record herein the Commission makes its findings as follows:

1. That the Drain Water Company is a corporation organized and existing under the laws of the State of Oregon, is a public utility as defined by Chapter 279 of the General Laws of Oregon for 1911, owning and operating a water system in the City of Drain, Douglas County, Oregon, and owning and controlling and maintaining transmission line from the source of supply to the said city. That the authorized capital stock of the applicant is \$10,000, \$6,000 of which is outstanding, with a bonded indebtedness of \$18,000, bearing interest at the rate of 6 per cent per annum.

2. That as of June 1, 1920, taking into consideration the developments and the condition of the utility as a going concern, all proper elements and factors, including allowances for necessary working capital to properly conduct the business, this Commission finds \$25,490 as a value for rate making purposes.

3. That a comparison of income statements of revenues and expenses discloses for the year 1919 a deficit for meeting expenses without regard to return on investment. That there is a considerable increase in wages and material; that the utility can not properly maintain its system and render adequate service to its patrons if its receipts are insufficient to meet operating costs and can not obtain money to make extensions to its plant and afford efficient service if its credit is impaired by lack of revenue.

4. That considering the character of this system the annual allowance in operating expenses for depreciation on a sinking fund basis is \$790 for the plant as of June 1, 1920. This amount is approximately 4 per cent of the reproduction cost new of the plant excluding the reservoir and pipe therefrom to the city (excepting intangible) and this amount should for any later date be increased by the same percentage on all net additions and betterments (excepting intangible capital) which are made with the same type of construction as now exists. Proper supervision and prompt maintenance and repair will naturally increase the value of the system to the patron. Should the city decide that its demands require the use of the reservoir and pipe line leading therefrom, then, and in that event, the hydrant rental will be increased accordingly, and the plant value and amount of depreciation will be changed.

That the amount of depreciation allowance heretofore found properly applicable to operations shall be concurrently credited to depreciation reserve, and there shall also be concurrently withdrawn from cash or equivalent source and placed in the depreciation fund an amount equal to the net annual credit to the reserve and the moneys in this fund shall be expended in accordance with Section 17 of the Public Utility act. Final withdrawals from this fund for replacements may be made only in the amount of the actual accruals upon plant items retired. All other withdrawals shall be considered as loans from the fund and interest thereon shall be paid to the fund in such amount that the total interest, additions to the fund, shall not be less than 4 per cent per annum upon all moneys in the fund not permanently withdrawn. The depreciation reserve account shall be credited for the amounts charged to the depreciation fund for such interest accruals.

5. That under all circumstances strict accounts in all departments must be kept, together with correct working sheets, that the actual cost and expenditures for replacements, additions and betterments and extensions may be accurately shown, and such precision is imperative.

6. That as hereinbefore indicated the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes, and return on the investment; therefore, the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to form a basis upon which to predicate efficient service. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Drain Water Company in Drain, Oregon, for efficient service in lieu of those now in force and effect are as named below:

**Based Upon Flat Service per Month**

Ordinary use for residences, blacksmith shops, lodge halls, offices and stores, not otherwise specified .....	\$1.10
Ordinary use for bakeries, butcher shops, drug stores and restaurants .....	1.50
Barber shops (1 chair) .....	1.50
Each additional chair .....	.25
Baths .....	.75
Baths in residences .....	.25
Toilets .....	.50
Livery stables, garages and canneries .....	5.00
Public schools, per year, payable in nine instalments .....	45.00
Railroad depots .....	2.00
Railroad water tanks .....	135.00
Water motors:	
In residences, on $\frac{3}{4}$ -inch connection .....	.75
In picture shows, two evenings per week .....	7.50
Each evening additional .....	.75
Minimum monthly charge for each customer .....	1.10
Bubbling fountains:	
Continuous flow .....	1.00
Intermittent flow .....	.50

The following rates for metered water service are found to be just, reasonable and not unjustly discriminatory:

First 300 cu. ft. or less .....	Minimum charge
Next 700 cu. ft., per 100 cu. ft. ....	\$0.18
Next 4,000 cu. ft., per 100 cu. ft. ....	.10
Excess over 5,000 cu. ft. ....	.06
Excess over 10,000 cu. ft. (if such can be supplied without impairing the service for domestic customers or fire protection), per 100 cu. ft. ....	.03

**ORDER**

Based on the above and foregoing findings, and the entire record herein, the Commission makes and enters its order as follows:

**IT IS HEREBY ORDERED** that the applicant, the Drain Water Company, of Douglas County, Oregon, be, and it is hereby, authorized to adopt and make effective on the date herein specified, the rates, rules and regulations hereinbefore in the findings set out and found reasonable and not unjustly discriminatory, in lieu of those now in force and effect found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis for adequate service, and for brevity and in order to make more definite and certain, the above and foregoing findings are hereby adopted, and by this reference made a part of this order.

**PROVIDED, HOWEVER,** that the rates thus herein fixed shall be considered the maximum rates for the classes and kinds of service herein specified, and nothing therein shall be construed to prevent the utility from making other rules and regulations and filing additional rates, providing it would not result in unjust discrimination between subscribers, classes of service or localities, in conflict with the intent of this order or other rules and regulations of this Commission.

This order shall be and become effective the first day of January, 1921, and within ten days hereafter the applicant shall publish and file, in the manner and form prescribed by law and the rules and regulations of this Commission, a tariff setting forth the rates authorized herein, **AND IT IS SO ORDERED.**



In the matter of the application of the **HEPPNER LIGHT & WATER COMPANY** for authority to increase rates. } U-F-322

ORDER ENTERED DECEMBER 28, 1920—P. S. C. ORDER NO. 674

On the twenty-second day of September, 1920, the Heppner Light & Water Company filed with this Commission an application for authority to increase its light and power rates in the cities of Heppner and Lexington and its wholesale rates to the City of Ione.

After due and legal notice to all interested parties the above entitled matter came on for hearing and investigation before the Commission at the Courthouse, Heppner, Oregon, on the eighth day of September, 1920, at the hour of 9:30 a. m., at which time and place witnesses were called and their testimony taken; and, the Commission now being fully advised in the premises, the matter is ready for final determination and order.

The application of the utility states in paragraph 4 that:

"The applicant desires a 25 per cent advance on the rates noted above, or an adjustment of said rates to fair and equitable rates to produce a fair and just profit upon the capital invested."

This application for an increase was opposed by the cities of Heppner, Ione and Lexington on the grounds that the present rates are excessive, unreasonable and unjustly discriminatory, by reason of the poor service rendered.

#### *Valuation for Rate Making*

This Commission, upon a former application to the utility, made an investigation and on the twenty-eighth of January, 1919, issued its Order No. 487, fixing, among other items, the valuation as of January 1, 1918. For the next two years following that date the additions and betterments have been shown to be \$2,687.73 and the retirements of capital then in use amount to \$1,885.72, the actual net additions since our former valuation being \$802, which increase in valuation will be considered herein.

At the same time the depreciation allowance on a straight line basis was set out as being \$2,098 per annum. This amount will be correspondingly increased in our further deliberations.

#### *Operating Revenues*

During 1920 there has been a noticeable increase in revenue, the comparisons between the first six months of this year and the corresponding period of last year being an increase of 19.6 per cent. If this percentage be applied to the total revenue of 1919, we will obtain \$24,526 as the expected revenue. The reports from all electric utilities have shown in general a relatively large and abnormal increase in business during 1919 and 1920, and we believe that the above amount can consequently be used as a fair estimate of the current annual revenue.

#### *Operating Expenses*

The most important part of the testimony concerning operating expenses was the statement of the increase in fuel costs. To a large extent these are due to the recent increases in freight rates. Testimony shows that at the present time the freight charge on each ton of coal amounts to \$6.18. This charge, coupled with increased costs of fuel at the mine, has thrown a large additional burden on the producer of electric service in this community. This burden must be indirectly absorbed in the form of increased rates or a community must expect its electric service to be discontinued.

Previous to the date of hearing the steam plant had been devoted to the service not only of the electric utility but to that of the municipal water plant as well. The latter service is now about to be discontinued. As a result of this condition it appears from the testimony that it will be impossible to estimate the exact cost of future electric operation.

Based upon the analysis made during our previous investigation and from all testimony offered in this case the following annual expenses may be reasonably expected:

Fuel, 1,550 tons coal at \$9.93 per ton .....	\$15,390.00
Pay roll, 12 months at \$775 per month .....	9,300.00
Other expenses, including materials and supplies .....	1,550.00
Ordinary depreciation (retirement expense) .....	2,135.00
Extraordinary depreciation (casualty) .....	535.00

Total operating expenses .....\$28,910.00

In the foregoing estimate the extraordinary depreciation resulting from the fire in 1918 appears to be too large to charge against a five-year period, as is generally allowed by the Commission. It is accordingly assessed against a ten-year period, the amount allowed herein being only one-half that shown in the utility's exhibits. Federal income tax, included as a charge against operation by the utility, is excluded from taxes below.

The resulting income statement would then be:

Operating revenues .....	\$24,526.00
Operating expenses .....	28,910.00
Net operating deficit .....	\$ 4,384.00
Taxes .....	500.00
Uncollectible .....	35.00
Operating deficit .....	\$ 4,919.00

From the foregoing income statement it is shown that no return is received on investment and in addition it is estimated that a deficit of nearly \$5,000 will result from the operations of this electric utility. In fact, if depreciation, both ordinary and extraordinary, were not considered the revenues now derived would not pay the out of pocket operating expenses of conducting this utility. Either rates must be increased or operations of this utility would be discontinued.

However the testimony shows that the service delivered is far from being satisfactory and frequent interruptions have occurred which greatly detract from the value of the service, especially for the power customers. This condition was conceded by the utility owners. Satisfactory service must be provided, and to this end it is recommended that a voltage regulator be installed at the generating plant. The necessity for this regulator has been known for some time and consequently the utility will be required to install such regulating device before February 1, 1921. It was contended by the utility that some of the poor service was due to line trouble resulting from interference of shade trees. Such trouble, where it can be shown that there was no other alternative economic location for the line, can not be directly charged against the utility, and if provision for correcting this trouble can not be provided through municipal ordinance we can not hold the utility responsible for the resulting poor service.

It is noted that the present commercial lighting rate does not provide for an adequate minimum charge for large consumers, nor is any provision made in this rate for the effect of large demands with the resulting increased costs of such service to the utility. This feature is corrected in the rates which are hereinafter prescribed.

Based upon the foregoing and other facts developed in the record, the Commission now finds that the present electric rate schedules of this utility are, in so far as they differ from the rates hereinafter provided, inadequate, unfair and unjustly discriminatory, and that the following rates are not unfair, excessive, unreasonable or unjustly discriminatory, and are, therefore, to be placed in effect:

#### ELECTRIC RATES—HEPPNER AND LEXINGTON

##### *Residence Lighting, Metered*

The following rate applies to all lighting service supplied to residences, churches, lodges or religious, charitable and fraternal organizations:

	<i>Per Month</i>
First 6 k. w. h. or less .....	\$1.50
Next 14 k. w. h. or less, per k. w. h. ....	.22
Next 20 k. w. h. or less, per k. w. h. ....	.18
Excess over 40 k. w. h. ....	.12

##### *Commercial Lighting, Metered*

This applies to all lighting service supplied to stores, offices, hotels, apartment houses (when considered as one customer), theaters, hospitals, schools or any lighting service used for commercial purposes.

The following primary (or demand) rate applies only to the first 60 kilowatt hours use per kilowatt per month of the active load (demand) as hereinafter defined.

The secondary rate next following applies to all consumption in excess of that specified for the primary schedule.

<i>Primary Rate</i>	<i>Per Month</i>
First 6 kilowatt hours or less .....	\$1.50
Next 34 kilowatt hours, per k. w. h. ....	.22
Excess, over 40 kilowatt hours, per k. w. h. ....	.18

<i>Secondary Rate</i>	
First 50 kilowatt hours, per k. w. h. ....	.18
Next 250 kilowatt hours, per k. w. h. ....	.15
Excess over 300 kilowatt hours, per k. w. h. ....	.12

**Minimum Charge**

No monthly bill shall be less than \$1.50 plus 10c for each 50 watts, or major fraction thereof, of active load in excess of 500 watts.

**Active Load**

No active load will be considered as less than 500 watts. The active load of all commercial lighting installations will be determined as follows:

**One-third of the connected load in—**

Apartment houses and hotels (except reception rooms, hallways and lobbies).  
Basements, lofts and other rooms used only for storage.  
Warehouses and barns (except offices and workrooms).  
Academies and schools (except night schools).

**\* Of all other lights and exceptions noted above—**

90 per cent of the first 2 kilowatts of connected load.  
70 per cent of all excess over 2 kilowatts of connected load.

Cooking and heating devices up to 800 watts total individual capacity and single-phase motors not exceeding  $\frac{1}{4}$  horsepower total may be supplied through the lighting meter on this schedule without increasing the active load or minimum charge.

Heating and cooking devices above 800 watts, individual capacity and single phase motors not exceeding  $\frac{1}{4}$  horsepower (at equivalent of 900 watts per horsepower) may be supplied through the lighting meter on this schedule.

The individual capacity of such devices or motors in excess of 800 watts will be added to the connected lighting load in determining the active load and the minimum charges under which service will be rendered.

**ELECTRIC LIGHTING—FLAT RATES**

<i>Residence Lighting</i>	<i>Per Month</i>
First 40 watts or less connected load .....	\$1.35
Next 60 watts connected load, per watt .....	.02 $\frac{1}{4}$
Next 100 watts connected load, per watt .....	.02
All over 200 watts connected load .....	Under meter schedule only
Small domestic heating and power devices .....	Under meter schedule only

<i>Commercial Lighting</i>	<i>Per Month</i>
First 40 watts or less connected load .....	\$1.35
Next 160 watts connected load, per watt .....	.02 $\frac{1}{4}$
Next 200 watts connected load, per watt .....	.02
All over 400 watts connected load .....	Under meter schedule only
Fans and other single phase motor driven apparatus under 1 horsepower connected to the lighting circuit .....	Under meter schedule only

<i>Municipal Lighting</i>	<i>Until Midnight</i>	<i>All Night</i>
40-watt lamps .....	\$1.35	\$1.75
60-watt lamps .....	2.00	2.75
100-watt lamps .....	3.00	4.00
200-watt lamps .....	4.75	6.00

**Power Schedule, Metered**

The following primary (or demand) rate applies only to the first 50 kilowatt hours use per month per horsepower, or 60 kilowatt hours use per kilowatt of the demand as hereinafter defined.

The secondary rate next following applies to all consumption in excess of that specified for the primary schedule.

**Primary Rate**

	<b>Per Month</b>
First 100 k. w. h., per k. w. h. ....	\$0.12
Next 400 k. w. h., per k. w. h. ....	.10
Excess over 500 k. w. h., per k. w. h. ....	.08

**Secondary Rate**

First 200 k. w. h., per k. w. h. ....	.08
Next 800 k. w. h., per k. w. h. ....	.07
Excess over 100 k. w. h., per k. w. h. ....	.06

**Demand for Power Schedule**

Demand is defined as being the greatest average rate at which energy is used within a period of five consecutive minutes, and will be assessed or measured as hereinafter indicated.

**Assessed demand**, expressed in horsepower, will ordinarily apply to installations of less than 25 horsepower and will be determined as follows:

The combined rated capacity of all motors will be taken and the following percentages thereof considered as the assessed demand:

	<b>Installations of over</b>		
	<b>1 motor</b>	<b>2 to 5 motors</b>	<b>5 motors</b>
First 5 horsepower of total rated capacity....	95 per cent	90 per cent	85 per cent
Next 10 horsepower of total rated capacity....	65 per cent	60 per cent	65 per cent
Excess over 15 horsepower rated capacity....	65 per cent	60 per cent	55 per cent
In no case, however, shall the <i>average</i> percentage be less than .....	75 per cent	70 per cent	65 per cent

Any motor or motors having a rated capacity less than 10 per cent of that of the total installation shall not be considered as increasing the number of motors as applied under the above classification. Two or more motors having an aggregate rated capacity of 10 per cent of the installation shall be considered as one motor.

**Measured demand**, expressed in kilowatts, will apply to installations in excess of 25 horsepower, or to any exceptional or unusual use of energy.

No more than one demand test in any six months shall be made at the consumer's request where there has been no change in installation, except such test be at the consumer's expense.

**Minimum Demand.**—No demand shall be considered for less than one horsepower.

The consumer shall be required to give written notification to the power company of any change in installation so that the corresponding change in demand may be determined, and proper rate therefor charged.

**Minimum charge based on demand as determined above:**

First 2 horsepower, per horsepower .....	\$1.75
Next 8 horsepower, per horsepower .....	1.40
Excess over 10 horsepower, per horsepower .....	1.15

**Equivalent.**—For determining equivalent horsepower for measured demand and for all other purposes, 1 kilowatt (input) shall be considered as equal to 1.2 horsepower (output).

**ELECTRIC RATES—IONE**

The rate under which the City of Ione shall purchase wholesale electric service shall be as follows:

	<b>Per Month</b>
First 2,000 k. w. h. per month or less .....	\$200.00
Next 2,000 k. w. h. per month, per k. w. h. ....	.08
Next 2,000 k. w. h. per month, per k. w. h. ....	.07
Excess over 6,000 k. w. h. per month, per k. w. h. ....	.06

Based on the findings outlined herein as well as the provisions of our Order No. 487 heretofore issued with relation to the properties here involved, and other facts developed from the record bearing on a fair and complete determination of this case;

IT IS NOW ORDERED that the applicant be, and it hereby is, granted the right and privilege, from and after the effective date of this order, to make, charge and collect the just and reasonable rates on electric service determined herein in substitution of those now in effect in Heppner environs.

The schedules authorized herein are to be considered as maximum for the service stipulated, and nothing in this order shall be construed as preventing this utility from making any reduction in them at any time upon the proper publication and filing of tariffs, provided that such revisions will not result in unjust discrimination between individual consumers, communities or classes of service.

IT IS FURTHER ORDERED that adequate voltage regulation shall be provided, and that installation of proper devices to provide such regulation shall be made before February 1, 1921.

This order shall become effective January 1, 1921, and the applicant shall publish and file in the manner prescribed by law and the rules of this Commission a tariff which shall carry out the intent and spirit of this order.

ELLIS C. THAYER, R. T. LYNG, CHARLIE MAGGETTI, SAM- UEL MAGGETTI, and FRANK A. NAGLEY, v. THE SOUTHWEST SIDE WATER COMPANY, a Corporation, Defendant.	}	U-F-302

ORDER ENTERED DECEMBER 28, 1920—P. S. C. ORDER NO. 675

On the twenty-eighth day of April, 1920, the above named plaintiffs filed a complaint with the Commission alleging that they resided and owned land in the community in and around Multnomah, Oregon (in Sections 16, 17, 18, 19, 20, 21 and 29, Township 1 South, Range 1 East, W. M.), and served with water by the Southwest Side Water Company; that said company was a public utility and had refused to serve water to Ellis C. Thayer under the terms and conditions of its schedule of rates, rules and regulations on file with this Commission; that said company had charged R. T. Lyng an excessive and exorbitant amount for a water right to 4.70 acres of land lying and being situated in said community served by said company, to wit, at the rate of \$40 per acre, and that the minimum charge for water in said community, to wit, \$1 a month for 600 cubic feet of water is excessive and unreasonable.

On the eleventh day of May, 1920, the Southwest Side Water Company filed an answer to said complaint admitting that it had sold a water right to one R. T. Lyng, and that its minimum charge is \$1 a month for 600 cubic feet of water, but denying that said charge was excessive or unreasonable, and denying that it had refused to serve one Ellis T. Thayer with water, and denying that the charge made for a water right to R. T. Lyng was excessive and exorbitant, and alleging that it was the same charge collected from other patrons of the company.

On May 20, 1920, the Southwest Side Water Company filed supplemental answer in this case alleging that since the filing of original answer the company by resolution of the board of directors had instituted proceeding to dissolve said corporation and had conveyed all assets of the defendant to the Multnomah Cooperative Water Association. That on the seventeenth day of May, 1920, the Corporation Commissioner of the State of Oregon issued to defendant corporation a certificate of dissolution.

This statement is sufficient to disclose the issues in the case.

Pursuant to due and legal notice of the time and place this matter came on for public hearing at Portland, Oregon, on the eighteenth day of August, 1920, at the hour of 10 o'clock a. m., at which time and place testimony was taken. Briefs were subsequently filed by parties hereto and the case was finally submitted on the thirteenth day of October, 1920.

From the testimony and record herein it appears that the matters for determination may be segregated as follows:

First, whether or not the Southwest Side Water Company is a public utility within the purview of Chapter 279 of the General Laws of Oregon for 1911, and amendments thereto, and the plant under the jurisdiction of this Commission.

Second, whether if the water system of the Southwest Side Water Company is a public utility its character has been changed or in any way affected by the pretended transfer of its assets to the Multnomah Cooperative Water Users Association.

Third, what are the legal rates, rules and regulations governing this water system.

1. The first question is fundamentally the most important. It appears from the testimony that the Southwest Side Water Company was formed by a group of landowners and promoters having interests in and around the station of Multnomah, Multnomah County, Oregon, for the purpose of constructing a six-inch water transmission main from the city limits of Portland to Buckingham Heights to supply the premises owned by the organizers with Bull Run water, from the municipally owned plant serving Portland, Oregon. The company was incorporated with an original capital of \$5,000, and later increased to \$10,000. All the stock was subscribed and 75 per cent of the face value paid in cash (Transcript, page 18) by three assessments of 25 per cent each. Each original stockholder had to subscribe for at least \$20 worth of stock and must subscribe \$20 for each acre of land that he owned in the district. All of the money subscribed was supposed to go into the construction cost of the six-inch transmission water main connecting the district with the Portland municipal water system. At first the water service was confined to the stockholders in the corporation and each patron or stockholder constructed, either individually or in conjunction with others, laterals connected with the transmission six-inch main.

The main is about a mile long and upon its completion it was turned over, together with that part of the distributing system completed, to the City of Portland, but on account of fear of legal entanglements, the system was shortly thereafter restored to its original owners and from then on water was purchased for distribution from the City of Portland at wholesale rates by the company. At first there were different sizes of pipe used in the transmission system. The use of so many different sizes led to considerable trouble with the pressure, because all the pressure is now and always has been derived from the Portland water system. In an attempt to alleviate some of this trouble a standpipe was constructed in the district, but it gave very little relief because the lower elevations drained the standpipe of its reserve, especially during extreme seasonable demands, so within the last year or two a uniform size of pipe, not less than two inches in diameter, was adopted in order to give better results. This rule has been followed irrespective of the number of customers on the lateral and has been the cause of more or less objection.

As the community developed, persons other than stockholders received water service until finally all the residents of this section making application for water were furnished the same upon compliance with the rules and regulations laid down by the company.

It has been the practice of this company, according to testimony, to require all applicants for water to construct their own extension main of two-inch pipe from the transmission main or from any other lateral that might be available to the applicant's property, at the applicant's expense, and then requiring transfer of same, vesting title in the company.

It appears that the company has reimbursed the original stockholders for extensions at the rate of 12½¢ per foot, by payment in stock. This rule of payment in stock was revoked as to later patrons but the company still insists on a transfer of the mains without any covenants or reservations whatever, and apparently with no recognition of any right or claim of the patrons.

In our judgment it is conclusive without any further corroboration that this water system is a public utility dedicated to a public service and as such is subject to the jurisdiction of this Commission. While the company may not have solicited patrons, yet to all intents and purposes it has supplied every resident of Multnomah who has made proper connection with the company's mains and whenever this company extends its services generally to those who comply with its rules and regulations, it has circumscribed itself so that its dedication as a public utility is complete. Once devoted to a public purpose of this character, the public has an interest in the corporation and the system to such an extent that the utility can not divest itself of the duty to give service.

While, as a matter of fact, and in all probability, this water system was constructed in the first place, primarily for the use and accommodation of the organizers of the corporation, yet it was not at any time a mutual association, nor probably was it constructed as an investment, but as an improvement which would attract prospective investors. This section is very well and substantially built and this is the only water supply available.

The question resolves itself into one of fact more than that of law and the principle was comprehensively explained by Chief Justice Waite when he said: "Property does become clothed with a public interest when used in a manner to make of public consequence and affect the community at large. When, therefore, one devotes his property to use in which the public has an interest, he,

in effect, grants to the public an interest in that use, and must submit to be controlled by the public for the common good, to the extent of the interest he has thus created."—Wyman on Public Service Corporations, Vol. 2, Section 1400.

2. If the the Southwest Side Water Company is a public utility, can it relieve itself of its duty to the public when it continues to exist as a going corporation by transferring its entire property to another corporation or association that does not propose to continue or function as a public service corporation. This company is occupying the highways and streets by irrevocable license. It can not so disable itself deliberately to excuse or relieve it from its obligations assumed as a public utility. Under any other theory the residents of Buckingham Heights and vicinity who have in good faith improved their property by building laterals connecting up with the water company and transferring the same would irreparably injure their investments, and thus rights in the nature of appurtenances to their land would be lost through no fault of their own. It does not seem to have impressed itself upon either of the officers or attorneys of this company that the company owes any obligation to men like Mr. Lyng, one of the plaintiffs herein, who has constructed his water system and who has without any compensation transferred it to the company.

This matter was very fully treated in Pond on Public Utilities, Section 348, and following sections, and authorities therein cited.

Under the theory of the defendant herein it is apparent that it was the intention of the officers of the Southwest Side Water Company to transfer the system to the Multnomah Cooperative Water Association and establish what is indicated by the title of this concern.

Authorities generally subscribe to the law laid down in the case entitled City of South Pasadena v. Pasadena Water Company, 93 Pacific, 490, in the words:

"A transfer of property used in public service from one corporation to another is invalid unless the transferee has power to accept the property and continue the use to which it has been devoted."

The effort of the officers of the Southwest Side Water Company to avoid the moral and legal responsibilities which it had voluntarily assumed by an attempted dissolution followed by the organization of a cooperative association betrays a lack of business judgment and reveals extreme indiscretion. The impropriety of such a practice is too manifest for extended discussion. It would have been much more impressive to this Commission, and we assume to the patrons of this utility, if the officers had attempted to reorganize their business methods.

The people, who have established homes and availed themselves of facilities offered as an inducement, have an interest in the water system unless it be shown as not needed and are entitled to its continuation. If the rates are not high enough and the regulations and rules are not sufficiently protective, then it is the duty of the Southwest Side Water Company to come before this Commission, make the proper presentation of its case and ask for an adjustment and not undertake to dodge its responsibility.

It is sufficient to say that, whatever name this water system may assume or whatever cognomen may be attached to it, it is a public utility, and no system of juggling will deprive the residents of Multnomah of this advantage. Had the successor in interest manifested an intention to perpetuate the character of the company by an equally as good system, then the situation would probably have been entirely different.

3. The third question is somewhat easier of solution, and were it not for the course pursued, more equity could be excused for the company's protection. Under the circumstances, the Commission has but one course open to follow. On the eighth day of May, 1918, pursuant to a request of the Public Service Commission, the Southwest Side Water Company filed its schedule of rates, rules and regulations governing its water service at Multnomah, Oregon, and vicinity, effective May 17, 1918, which is as follows:

#### *Rates Per Month in Advance*

Minimum monthly charge .....	\$1.00
First 600 cubic feet .....	1.00
Each additional 100 cubic feet .....	1.25

Above rates based on the installation by the consumer of a type meter satisfactory to the City of Portland Water Bureau and tested by them.

Tapping charge for ½-inch connection .....	\$2.00
Tapping charge for ¾-inch connection .....	2.50

If water rates are not paid by the tenth of each month, water will be shut off, without notice, and a 50c charge made for turning it on again.

An advance deposit of \$1 is required of all consumers to guarantee payment of monthly charges, as water is furnished for a month, or fraction of a calendar month, before charge is made. When service is discontinued this deposit is refunded.

Basis for charging for water service extensions is as follows:

1. Originally each landholder paid at the rate of \$20 per acre as a basic charge for connecting to the large 6-inch transmission main laid from the city limits of the City of Portland to the territory served, and our system was based on such an area to be covered - - - any new or added acreage will some day need a larger transmission main, and so a charge of \$20 per acre is made to all who did not come in during the organization or subsequently.

2. Service from the other laterals is based on a careful estimate of the cost of these mains, their carrying capacity and ability to serve such added area satisfactorily, the prospective net revenue to be derived, and such other factors that enter into the merits of the extensions.

3. We do not hold ourselves out to supply any one where our pressures will not serve satisfactorily, as we are limited to the pressure furnished by the City of Portland.

Issued April 30, 1916.

Effective May 17, 1918

The above are the legal rates, rules and regulations now and have been at all times since the date of publication. Any other rules and regulations that were enforced upon the patrons of this company were without authority of law and any practices not incorporated in the above rules and regulations that were unreasonable are likewise illegal.

No attempt has been made to keep the accounts of the company according to the accounting practices required by the Commission nor has an attempt been made to set aside a depreciation reserve for future replacements. The officers of the company receive but a very small stipend for their services and the superintendent is paid on the basis of a commission from what he collects in rents, which amounts to about \$80 per month, and his duties are to patrol the water mains and collect the rents.

In all probability the Southwest Side Water Company never was at any time a dividend producing investment in itself and never has been profitable, although the promoters of this section of suburban property were prompted in making this investment by reason of their large holdings, and it is a fair conclusion to say that the officers of the company benefitted indirectly only by the added attraction of this feature. By reason of these extenuating circumstances this Commission would have been inclined to some leniency toward the defendant were it not for the course which it deliberately pursued after the issues had been made up. It was neither innocence nor ignorance on the part of the officers that precipitated the present involved condition but an attempt to utterly disregard the rights of the residents of the community, who made improvements in good faith.

The interpretation of Rule 1 is that \$20 per acre is a basic charge for connection to the large six-inch transmission main and a like and additional charge of \$20 per acre for attaching to a lateral main as a land tax is legal, and a minimum charge for any less than one acre of land under this system would be a reasonable minimum based upon the foregoing schedule.

There is plain discrimination as between the first patrons who constructed laterals and those of later years in the form of reimbursements received. In the former case they received payment at the rate of 12½¢ per foot in stock and in the latter years no remuneration whatever. In order to guard against any further complications of this character all laterals or private mains shall be transferred by a standard form of conveyance containing a covenant or reservation and a description of all the premises entitled to service through said lateral at the time of transfer. Such transfer shall be executed in accordance with the regular form of real property conveyance acknowledged and recorded, and the covenant or reservation should be definite and particular in order that it may appear from such instrument that the lateral shall be in the nature of an appurtenance to the land described.

As to whether or not it should be a two (2) inch lateral depends to a considerable extent upon the location of the particular premises as respects elevation, all of which, of course, would enter into the character of service. Where the lateral or main is constructed in the street or highway then for public safety to prevent a constant tearing up of the street or public highway the pipe should be not less than two inches in diameter, but where constructed entirely or nearly so across private property, then the pipe should be such as suits the convenience of the patron, but should not be less than one (1) inch in diameter in order to have pressure. Where the lateral or main is of two (2) inch pipe and at the



time of its construction or thereafter another patron should be connected on, then and in that event such patron should reimburse the person who constructed the two-inch main for the proportionate expense of the cost of construction, unless, of course, the company has already reimbursed the original builder, in which case all proceeds go to the company.

#### FINDINGS

Based on the foregoing statement and the record herein, the Commission makes its findings as follows, to wit:

1. The Southwest Side Water Company was a corporation organized and existing under the laws of the State of Oregon at the time the complaint and original answer herein were filed and is a public utility as defined in Chapter 279 of the General Laws of the State of Oregon for 1911, and amendments thereto, owning, operating, controlling and maintaining a water system in the community known as Multnomah, Multnomah County, Oregon, and as such is subject to the jurisdiction of the Public Service Commission of Oregon.

2. That the transfer or pretended transfer of the assets to any individual, association or corporation, who does not have for its purpose the continuation of this utility is without warrant of law.

3. That the legal rates, rules and regulations are those on file with the Commission dated April 30, 1918, effective May 17, 1918, as heretofore incorporated and set forth in the statement herein, and for brevity and to be definite and certain by this reference made a part hereof.

4. That Ellis Thayer is entitled to connection, under the rules and regulations herein set forth, with the Southwest Side Water Company system at Multnomah, and lay and maintain at his own expense a lateral of not less than one inch pipe if over or across private property, and two inch pipe if laid on the public street or highway, and in case of the laying of two inch pipe to collect from the patron or patrons connecting therewith the proportionate part of the cost of construction of the part of lateral used.

5. That the rate charged said R. P. Lyng as a land tax was and is the legal rate.

6. That the rate of \$1 is the legal minimum monthly rate for the water service supplied by the defendant and its successors.

#### ORDER

Based on the foregoing findings the Commission makes and enters its order as follows, to wit:

IT IS HEREBY ORDERED that the Southwest Side Water Company and all persons, associations, organizations or corporations claiming title by, through or under the aforesaid company, shall desist and refrain from charging or exacting any other rate or enforcing any other rule or regulation different than that set out in the tariff on file with this Commission effective May 17, 1918, and from discrimination between patrons in the matter of reimbursement for pipe laid in connection with the distributing system at Multnomah, Oregon, and from enforcing any rule or regulation different than the rates, rules and regulations herein found to be the legal rates, rules and regulations of the utility and system known as the Southwest Side Water Company, and to make more definite and certain the findings hereinbefore set out are by this reference made a part hereof.

It is to be understood, however, that nothing herein should be construed as approving or disapproving the rates, rules and regulations hereinbefore referred to, or as passing upon the reasonableness or unreasonableness thereof, but should be construed merely as an interpretation of what are the legal rates in existence at the present time, AND IT IS SO ORDERED.

In the matter of the application of THE MALHEUR HOME }  
TELEPHONE COMPANY for authority to increase rates. } U-F-275

ORDER ENTERED DECEMBER 28, 1920—P. S. C. ORDER NO. 677

#### ORDER

This is an application filed by the Malheur Home Telephone Company for authority to increase its telephone rates now in effect in Malheur County, Oregon.

After due and legal notice of the time and place to all interested parties, the above entitled matter came on regularly for public hearing before the Com-

mission at the City Hall, Ontario, Oregon, on the twenty-third day of September, 1920, at the hour of 10:30 o'clock, a. m., at which time and place witnesses were called, sworn and testified and their testimony taken by reporter for the Commission.

#### STATEMENT

This company owns, operates and controls a common battery telephone exchange at Ontario and magneto exchanges at Nyssa and Vale with many long suburban lines in Malheur County.

There are approximately 860 subscribers or patrons of the system, in addition to the subscribers on farmer owned lines.

The company also owns and operates a trunk line some ten miles in length between its Ontario and Nyssa exchanges. This trunk line was constructed and primarily maintained for business and other conversations of kindred importance. In the past no toll charge for the use of the service between Ontario and Vale has been collected by the applicant for conversations from subscribers' stations. Testimony offered at the hearing indicates that a very small percentage of the subscribers of the company use this service occasionally and less than half ever use it, and that service over this line is impaired due to the heavy traffic on the line. A nominal charge for calls would eliminate unnecessary use of the line, and provide a more equitable distribution of the expense and a more satisfactory service to the patrons especially business. To continue the practice of allowing the subscribers this service without a toll charge would necessitate a higher rate for all exchange service. Such a practice would place undue burden upon the many subscribers who have no use for the service.

This utility owns, operates and controls many long suburban lines through sparsely settled territory which were constructed to serve the various farming communities, and while the Commission does not desire to censure the company for developing this class of business, it is evident that the users of the service have not in the past paid their just and reasonable share of the operating expense.

The salaries of operators have advanced more than 80 per cent since the rates now in effect, both in the city and the country, were initiated; skilled labor has advanced 113 per cent, and materials have likewise advanced.

It appears from the record herein, that the company is being operated at a loss and has no capital with which to make replacements and properly maintain the present property. It is highly necessary and convenient to have this company continue operations, and it is apparent, owing to the age of the line, that some needful repairs be reached at an early date.

Increased revenue is necessary in order that there may be no impairment of the service.

The company, in the past, has, apparently, through lack of sufficient revenue, failed to make adequate provision for depreciation, and permitted the system to become somewhat deteriorated.

A full and complete check of the physical property of the Malheur Home Telephone Company, of Ontario, was made by the Commission's engineering staff, carefully investigating the inventory and appraisal report submitted by the company upon demand of the Commission.

The detail work necessary to permit the Commission to enter an order of value has not yet been completed, but has progressed sufficiently to assure the Commission that the rates now being collected are insufficient to provide a reasonable allowance for depreciation, together with the actual out of pocket cost of operating, without considering any return on the investment.

The Commission has taken into consideration the environs of the situation, the size of the plant, size of the community served and its immediate needs.

#### FINDINGS

Being fully advised in the premises, after a full consideration of the testimony and record herein, the Commission makes its findings as follows:

1. That the Malheur Home Telephone Company is a corporation duly organized and existing under the laws of the State of Oregon, conducting a telephone business in Malheur County. It is a public utility engaged in the ownership, management, operation and control of a plant and equipment for the convenience of telephone users, and as such utility is subject to the provisions of Chapter 279 of the General Laws of Oregon for the year 1911, and amendments thereto.
2. That the capital stock of this company is \$44,275, all of which is issued and outstanding. The stock is principally owned by the Mountain States Telephone & Telegraph Company, of Denver, Colorado, a subsidiary of the American Telephone & Telegraph Company. There is also outstanding an indebtedness of \$48,000 in short term notes.

3. That this company should discontinue the practice of rendering service over its trunk line between Ontario and Nyssa without imposing a nominal toll charge, so that this line may afford a faster and better service than is possible under the present plan.

4. That as heretofore indicated, the present revenue of this company is inadequate to meet the actual operating expenses, accrued depreciation, taxes and a reasonable return on the money prudently invested. Therefore, the present rates are found to be insufficient, unreasonable, inadequate and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Malheur Home Telephone Company of Ontario, Oregon, for efficient service in lieu of those now in force are named below:

NYSSA		Wall Set *
Unlimited Business Service		Per Month
Individual line .....		\$4.00
Two-party line .....		3.50
Extension, with bell .....		1.25
Extension, without bell .....		1.00
Extension bell only .....		.25
Suburban line .....		3.25

Unlimited Residence Service		
Individual line .....		2.25
Two-party line .....		2.00
Four-party line .....		1.75
Extension, with bell .....		1.00
Extension, without bell .....		.75
Extension bell only .....		.25
Suburban line .....		2.25

## ONTARIO

Unlimited Business Service		
Individual line .....		\$4.00
Two-party line .....		3.50
Extension, with bell .....		1.25
Extension, without bell .....		1.00
Extension bell only .....		.25
Suburban line .....		3.25

Unlimited Residence Service		
Individual line .....		2.25
Two-party line .....		2.00
Four-party line .....		1.75
Extension, with bell .....		1.00
Extension, without bell .....		.75
Extension bell only .....		.25
Suburban line .....		2.25

## VALE

Unlimited Business Service		
Individual line .....		\$4.00
Two-party line .....		3.50
Extension, with bell .....		1.25
Extension, without bell .....		1.00
Extension bell only .....		.25
Suburban line .....		3.25

Unlimited Residence Service		
Individual line .....		2.25
Two-party line .....		2.00
Four-party line .....		1.75
Extension, with bell .....		1.00
Extension, without bell .....		.75
Extension bell only .....		.25
Suburban line .....		2.25

\* For desk type instruments add 25c per month.

PRIVATE BRANCH EXCHANGE—ONTARIO, NYSSA, VALE  
FLAT RATE SERVICE

Switchboards		Per Month
Cord or cordless, nonmultiple, with operator's set and power circuit and equipped for 80 lines, per position .....		\$5.00
Additional groups of 5 lines or less .....		.20
Trunks		
Bothway trunks: Individual business rate plus .....		\$3.00
Incoming trunks: Bothway trunk rate less 20 per cent minimum....		4.00

**Stations**

Cord or cordless (except hotel)	<b>Wall</b>	<b>Desk</b>
Each station within building .....	\$1.25	\$1.50
Each station outside building, plus mileage at rate of 50c per quarter mile or fraction thereof.....	1.75	2.00
<b>Hotel:</b>		
Each station not in guest room (subject to mileage as in preceding item if outside building) .....	1.25	1.50
Each station in guest room .....	.75	1.00

**Toll Charge**

Ontario to Nyssa (station to station rate) ..... \$0.10  
 The above charge is for an initial period of five minutes or fraction thereof  
 and 5 cents additional will be charged for each three minutes or fraction thereof.

**Mileage Rates**

For service outside the primary rate area, the following mileage rates are  
 effective, based upon air line mileage from primary rate area:

	<b>Per Month</b>
Individual line, each quarter mile or fraction thereof .....	\$0.50
Party line, per station, each quarter mile or fraction thereof.....	.25

**Suburban Service**

Suburban circuits (not including pole lines) will be constructed for a distance  
 not exceeding five (5) miles from the primary rate area of the exchange  
 with which they connect, provided the circuits shall average not less than two  
 (2) subscribers per mile with a minimum of five (5) subscribers per circuit.

**Rural Line Switching Service**

Where the subscriber owns and maintains the line to the town limits, per  
 subscriber, 75c per month.

Minimum per line, \$4.50 per month.

5. That the rates hereinbefore named are conditioned upon satisfactory  
 service and are based upon a primary rate area covering the city limits of each  
 exchange. Service outside the city limits will be rendered on a mileage basis or  
 under the suburban rate.

6. That under all circumstances, strict accounts in all departments must be  
 kept, together with correct working sheets, that the actual cost and expenditures  
 for replacements, additions, betterments and extensions may be accurately shown.  
 Such provision is imperative.

**ORDER**

Based on the foregoing findings, and entire record herein, the Commission  
 makes and enters its order as follows:

IT IS HEREBY ORDERED that the applicant, the Malheur Home Telephone  
 Company, of Ontario, Oregon, be, and it hereby is, authorized to adopt and  
 make effective on the date herein specified the rates, rules and regulations  
 hereinbefore, in the findings, set out as fair, reasonable and not unjustly dis-  
 criminatory, in lieu of those now in force and effect, found to be insufficient,  
 unreasonable, inadequate and unjustly discriminatory and not such as to furnish  
 a basis for adequate service, and for brevity and in order to make more definite  
 and certain the above and foregoing findings are hereby adopted and by this  
 reference made a part of this order.

PROVIDED, HOWEVER, that the rates thus herein fixed shall be considered  
 the maximum rates for the classes and kinds of service specified, and nothing  
 herein shall be construed as to prevent the utility from making reductions herein  
 or from filing additional rates, rules and regulations for service not specified,  
 providing they do not result in unjust discriminations between subscribers, classes  
 of service or localities in conflict with the intent of this order or other rules and  
 regulations of this Commission.

All the rates, rules and regulations now in effect, in so far as they do not  
 conflict with the provisions of this order, will not be permitted to remain in  
 effect.

This order shall be and become effective the first day of January, 1921,  
 and within ten days hereafter the applicant shall publish and file, in the manner  
 and form prescribed by law and the rules and regulations of this Commission,  
 a tariff setting forth the rates authorized herein, AND IT IS SO ORDERED.



**APPENDIX II**  
**STATISTICS OF RAILROADS AND UTILITIES**  
**PART I—RAILROADS AND OTHER CARRIERS.**  
**PART II—UTILITIES**

## PART I—RAILROADS

STATISTICS OF STEAM RAILROADS  
For Year Ended December 31, 1920

Name of Railroad	Miles of Road Operated	Total Miles of Track, Including Round- houses	Capital Stock Outstanding	Funded Debt Outstanding	Fixed Capital Dec. 31, 1920
Astoria Southern Railway Company	11.20	12.00	\$ 10,000.00	\$ 350,000.00	\$ 332,745.27
*Benson Timber Company	7.34	7.34			113,266.65
California & Oregon Coast Railroad Company, The	14.61	16.29		4,100.00	398,617.90
Carlton & Coast Railroad Company	13.93	16.27	500,000.00	250,000.00	466,764.70
①Central Pacific Railroad Company			84,875,500.00	183,512,848.54	288,533,886.09
Central Railroad of Oregon	16.36	17.47			230,732.81
City of Prineville Railway	18.30	19.35		304,233.28	323,432.31
②Coos Bay Lumber Company, Frederic T. Boles,					
Wm. Denman, Receivers	18.56	19.47		2,499,000.00	1,999,615.15
Columbia and Nehalem River Railroad	30.00	32.00	500.00	875,000.00	1,826,321.57
③Des Chutes Railroad Company		105.19	100,000.00		6,218,900.00
Gales Creek & Wilson River Railroad Company	12.75	14.40	460,600.00	300,000.00	313,059.35
Great Northern Railway Company, entire system	8,170.75	11,006.12	249,477,150.00	257,606,515.16	426,559,037.33
Great Northern Railway Company, in Oregon	9.89	9.89			
Great Southern Railroad Company	40.69	44.32	100,000.00	590,000.00	721,834.28
Lewis & Clark Railway Company			700,000.00		697,229.77
④Marion & Linn County Railroad Company	22.20	24.79	250,000.00		93,483.11
Mount Hood Railroad Company	171.29	184.35	250,000.00	500,000.00	409,625.68
Nevada-California-Oregon Railway, in Oregon	13.94	14.95	2,200,000.00	975,000.00	3,213,495.22
Nevada-California-Oregon Railway, entire system	6,809.15	10,458.27			
Northern Pacific Railway Company, entire system	57.29	99.81	248,000,000.00	315,065,000.00	525,918,631.23
Northern Pacific Railway Company, in Oregon					
⑤Northern Pacific Terminal Company of Oregon		32.65			
Oregon & California Railroad Company		1,513.18		2,444,000.00	2,326,466.53
Oregon, Pacific & Eastern Railway Company	23.40	3,257.78	19,000,000.00	17,505,000.00	47,361,549.23
Oregon Short Line Railroad Company, entire system	2,559.02	3,255.10	200,250.00	330,000.00	465,904.17
Oregon Short Line Railroad Company, in Oregon	2,51.01	2,54.98	100,000,000.00	120,738,000.00	122,708,334.99
Oregon Trunk Railway, entire system	156.91	183.93			
Oregon Trunk Railway, in Oregon	156.18	183.20	10,000,000.00		16,382,967.06
⑥Oregon-Washington Railroad & Navigation Co., entire system	2,223.63	3,080.46	50,000,000.00	95,041,215.00	163,343,057.54
⑦Oregon-Washington Railroad & Navigation Co., in Oregon	918.04	1,218.99			
Portland & Oregon City Railroad Company	15.85	16.35	107,500.00	32,000.00	380,613.55
Portland & Southwestern Railroad Company	10.77	12.55	710,000.00		927,817.87
⑧Southern Pacific Company, entire system	7,119.05	10,530.53	326,441,405.64	159,158,160.00	140,722,153.67
⑨Southern Pacific Company, in Oregon	1,310.15	1,638.32			
Spokane, Portland & Seattle Railway Co., in Oregon	1549.98	1,750.45	40,000,000.00	74,527,500.00	61,682,269.30
Spokane, Portland & Seattle Railway Co., entire system	128.12	185.92			
Sumpter Valley Railway Company	79.63	98.00	800,000.00	810,000.00	1,948,749.14
Valley & Siletz Railroad Company	40.32	44.28	300,000.00		1,051,659.15
Williamette Valley & Coast Railroad Company	5.40	6.00	100,000.00		105,903.60

## STATISTICS OF STEAM RAILROADS—Continued

Name of Railroad	Operating Revenues	Operating Expenses	Taxes	Operating Income	Surplus or Deficit for the Year
Astoria Southern Railway Company.....	\$ 149,645.49	\$ 155,913.24	\$ 3,370.15	\$ 9,637.90	\$ 27,972.90
*Benson Timber Company	16,981.40	24,473.33	2,312.16	9,804.09	92,151.69
California & Oregon Coast Railroad Co. The	12,701.01	36,587.92	922.02	94,758.98	57,517.14
Carlton & Coast Railroad Company					
① Central Pacific Railroad Company	18,362.56	16,131.34	2,402.72	171.50	171.50
Central Railroad of Oregon	48,764.29	36,683.21		12,081.08	12,081.08
City of Prineville Railway					
② Coos Bay Lumber Company, Frederic T. Boles, Wm. Denman, Receivers					
Columbia and Nehalem River Railroad	908,364.11	533,101.23			
③ Des Chutes Railroad Company	23,290.16	39,786.55	4,083.34	20,590.23	47,908.72
Gales Creek & Wilson River Railroad Company	1,106,787,621.37	94,867,023.97	8,613,150.76	3,288,384.26	19,317,596.31
Great Northern Railway Company, entire system	108,067.83	126,091.77	495.71		
Great Northern Railway Company, in Oregon.....	77,576.87	53,480.73	5,142.88	18,953.26	10,575.05
Great Southern Railroad Company	105,904.39	153,157.25			
Lewis & Clark Railway Company					
④ Marion & Linn County Railroad Company	113,612.39	115,654.93	6,005.90	8,048.14	63,902.19
Mount Hood Railroad Company	418,804.41	410,806.28	19,291.95	11,724.33	41,461.78
Nevada-California-Oregon Railway, entire system	18,521.98	27,772.15	1,827.38		
Nevada-California-Oregon Railway, in Oregon	93,592,739.46	85,460,452.60	8,435,382.73	315,045.19	19,094,183.31
Northern Pacific Railway Co., entire system.....	327,437.72	562,866.04	21,542.72		
Northern Pacific Railway Company, in Oregon			148,162.78		
⑤ Northern Pacific Terminal Company of Oregon					
⑥ Oregon & California Railroad Company	66,265.94	59,130.92	2,446.52	4,688.50	15,572.86
Oregon, Pacific & Eastern Railway Company	37,230,491.12	27,614,984.00	3,019,745.20	6,596,582.65	7,336,067.39
Oregon Short Line Railroad Co., entire system	1,185,007.56	1,086,186.42	116,643.49		
Oregon Short Line Railroad Company, in Oregon	493,268.39	601,774.69	68,634.60	177,140.90	425,314.72
Oregon Trunk Railway, entire system	571,675.41	691,476.07	66,575.58		
Oregon Trunk Railway, in Oregon	27,485,379.94	26,075,349.68	1,829,351.26	494,117.75	3,518,575.00
⑦ Oregon-Wash. Railroad & Nav. Co., entire system	21,698,386.26	18,724,263.98	832,189.75		
⑧ Oregon-Wash. Railroad & Nav. Co., in Oregon	5,747.58	10,025.84			
Portland & Oregon City Railway Company	79,664.26	73,611.34	6,570.35	4,278.26	4,278.26
Portland & Southwestern Railroad Company	178,642,326.08	148,861,435.46	10,251,190.58	517.43	517.43
⑨ Southern Pacific Company, entire system	17,481,176.08	15,000,513.68	1,011,671.70	19,484,148.18	25,364,204.96
⑩ Southern Pacific Company, in Oregon	8,078,665.85	5,802,366.59	903,210.70	1,371,083.70	790,908.78
Spokane, Portland & Seattle Ry. Co., entire system	2,236,260.25	2,395,952.85	373,712.14		
Sumpter Valley Railway Company	498,261.62	384,469.45	19,395.43	32,396.74	43,807.66
Valley & Siletz Railroad Company	136,264.12	124,308.28	9,600.00	355.54	46,853.60
Willamette Valley & Coast Railroad Company.....	1,046.55	15,356.54	759.50	926.73	1,443.45

**Boldfaced type indicates deficit.** ① Operated by Southern Pacific Company. ② Operated by Oregon-Washington Railroad & Navigation Company. Included in that company's report. ③ Operates Union Station and terminal yards in Portland. Net annual deficit defrayed by tenant companies and its revenues and operating expenses have been apportioned to and are included in the statistics of the tenant companies. ④ Includes Des Chutes Railroad Company; also water line operations. ⑤ Includes Beaverton & Willsburg Railroad, Central Pacific Railway, Marion & Linn County Railroad Company and Oregon & California Railroad; also water operations. ⑥ Includes Beaverton & Willsburg Railroad, Central Pacific Railway, Marion & Linn County Railroad Company and Oregon & California Railroad and electric lines in Oregon. \*Not operated as a common carrier in 1920.

Fig. 5.



## STATISTICS OF ELECTRIC RAILROADS

For Year Ended December 31, 1920

Name of Railroad	Miles of Road Operated	Total Miles of Tract, Including Barns	Capital Stock Outstanding	Funded Debt Outstanding	Fixed Capital Dec. 31, 1920
Kenton Traction Company	3.27	4.02	\$ 20,000.00	\$	\$ 113,819.82
①Medford Coast Railroad Company	156.26	197.98	2,530,000.00	2,000,000.00	35,000.00
Oregon Electric Railway Company	5.07	5.55	②	③	13,233,765.55
Pacific Power & Light Company, Astoria	1.50	1.50	19,000.00		158,836.27
Portland and Troutdale Electric Railroad Company	18.65	21.29			20,860.46
Portland, Astoria and Pacific Railroad Company	183.33	306.97	21,250,000.00	42,410,000.00	36,326,374.68
Portland Railway, Light & Power Company					
③Southern Pacific Company	29.35	38.07	3,000,000.00	450,000.00	6,230,086.73
United Railways Company	23.52	27.74	500,000.00	495,000.00	1,033,118.25
Walla Walla Valley Railway Company, entire system	5.61	7.07			
Walla Walla Valley Railway Company, in Oregon	31.90	35.62	1,181,500.00	720,000.00	1,929,221.21
Willamette Valley Southern Railway Company					

## STATISTICS OF ELECTRIC RAILROADS—Continued

Name of Railroad	Operating Revenues	Operating Expenses	Taxes	Operating Income	Surplus or Deficit for the Year
Kenton Traction Company	\$ 39,408.40	\$ 43,784.75	\$ 520.00	\$ 4,896.35	\$ 6,118.18
①Medford Coast Railway Company	1,224,516.84	1,290,569.90	92,801.17	158,954.93	368,421.13
Oregon Electric Railway Company	74,393.15	56,740.46	5,059.88	12,592.81	②
Pacific Power & Light Company, Astoria	6,143.22	8,644.72	286.03	2,788.53	2,788.53
Portland and Troutdale Electric Co.	31,545.24	65,776.61	1,700.00	34,921.57	32,898.50
Portland, Astoria and Pacific Railroad Company	5,936,262.11	4,484,960.96	448,392.41	1,002,908.74	786,842.99
③Portland Railway, Light & Power Company					
Southern Pacific Company					
United Railways Company	75,661.36	168,756.40	5,187.98	96,263.02	338,837.41
Walla Walla Valley Railway Co., entire system	154,499.41	105,218.91	9,623.29	39,657.21	13,507.83
Walla Walla Valley Railway Co., in Oregon	38,624.86	26,304.77			
Willamette Valley Southern Railway Company	97,998.89	113,121.41	7,790.70	22,913.33	91,772.94

Bold faced type indicates deficit.

①Incomplete report. Not operated in 1920.

②Joint utility—see report under Electric Utilities for joint items marked ②.

③Included in Steam Railroad report.

## SLEEPING CAR COMPANY

## The Pullman Company

Organized June 15, 1867, under act of general assembly of the State of Illinois as Pullman's Palace Car Company. Name was changed to The Pullman Company under provisions of general laws of Illinois entitled "An act relating to corporations," approved April 10, 1872.

*Nature of Business:* The manufacture of railway equipment (none of which is done in Oregon) and the furnishing to railway companies of sleeping cars fitted with berths and bedding for the accommodation of passengers therein. The latter is the only business done in the State of Oregon.

*Principal Business Office:* Chicago, Illinois.

*Principal Officers:* John S. Runnells, President; Richmond Dean, Clive Runnells, Joseph Weaver, Vice Presidents; John F. Kane, Secretary; W. J. Peters, Treasurer, and E. C. Morris, Auditor.

L. S. Taylor, Comptroller; L. S. Hungerford, General Manager; A. A. Cummins, Federal Treasurer; L. W. Snider, District Superintendent in Oregon, Portland, Oregon.

## ASSETS

Investment in plant and equipment .....	\$171,100,109.51
Miscellaneous physical property .....	6,650.53
Investment in affiliated companies .....	870,325.02
Other investment, stock and bonds .....	6,960,092.30
Cash .....	10,024,542.28
Loans and bills receivable .....	24.50
Net balance receivable from agents and conductors .....	730,763.96
Miscellaneous accounts receivable .....	3,402,564.10
Material and supplies .....	10,081,707.52
Other current assets .....	11,170,510.17
Deferred assets .....	76,140,625.89
U. S. Government standard return, less advances .....	2,358,333.33

Total assets .....\$292,846,249.11

## LIABILITIES

Capital stock .....	\$120,000,000.00
Audited accounts and wages payable .....	14,589,379.92
Interest matured unpaid .....	22,296.00
Unmatured dividends .....	1,590,325.33
Other current liabilities .....	1,131,491.45
U. S. Government deferred liabilities .....	66,736,941.87
Miscellaneous reserves (including insurance) .....	2,365,168.89
Accrued depreciation equipment .....	62,108,735.93
Accrued depreciation other physical property .....	1,005,813.63
Other unadjusted credits .....	100,000.00
Profit and loss credit balance .....	23,196,096.09

Total liabilities .....\$292,846,249.11

## INCOME ACCOUNT

	<i>Entire Lines in or Entering Oregon</i>	<i>Oregon's Proportion Mileage</i>
Gross earnings (state and interstate) .....	\$ 2,270,066.58	\$ 603,233.32
Operating expenses, including taxes .....	1,653,970.51	562,668.51
Operating income .....	\$ 616,096.07	\$ 40,564.81
<i>Operating Expenses:</i>		
Salaries and wages paid employees .....	\$ 617,923.38	\$ 205,110.13
Repairs to cars and equipment (partly estimated) .....	565,327.12	187,651.61
Other expenses .....	436,482.82	144,883.73
Taxes paid in Oregon .....		13,658.53
Proportion of U. S. Government taxes .....	34,237.19	11,364.51
Total .....	\$ 1,653,970.51	\$ 562,668.51
<i>Mileage in Oregon:</i>		
Standard sleeping cars .....		7,755,900
Tourist sleeping cars .....		2,067,036
Total in Oregon .....		9,822,936

## American Railway Express Company

## STATISTICS

For Year Ended December 31, 1920

The American Railway Express Company was organized June 22, 1918, under the laws of the State of Delaware, by Adams, American, Southern and Wells

Fargo Express Companies for the purpose of carrying on for the Director General of Railroads the express transportation business under federal control and elsewhere as directed by the Director General.

The authorized capital stock of the company is \$40,000,000. The Adams, American, Southern and Wells Fargo transferred to the American Railway Express Company the property owned and used by them, respectively, in conducting their express transportation business in the United States, valued at about \$30,000,000, and \$3,000,000 in cash, making a total of \$33,000,000, for which stock was to be issued upon approval of the Director General of Railroads.

## FINANCIAL STATISTICS

<i>Balance Sheet:</i>		<i>Assets</i>	
Real property and equipment .....		\$ 34,621,199.24	
Bonds .....		1,032,500.00	
U. S. 4½ per cent certificates of indebtedness .....		12,100,299.55	
Cash .....		18,218,104.31	
Special deposits .....		85,076.50	
Loans and notes receivable .....		3,002,952.50	
Traffic balances receivable .....		3,488.23	
Net balances receivable from agents and messengers .....		8,575,776.81	
Miscellaneous accounts receivable .....		14,465,340.03	
Material and supplies .....		2,806,507.02	
Interest, dividends and rent receivable .....		286,469.61	
Working fund advances .....		47,265.00	
Rents and insurance premiums paid in advance .....		481,421.86	
Taxes paid in advance .....		111,430.95	
Other unadjusted debits .....		1,399,466.39	
Total assets .....		\$ 97,307,298.00	
		<i>Liabilities</i>	
Capital stock .....		\$ 34,642,100.00	
Traffic balances payable .....		311,343.12	
Audited accounts and wages unpaid .....		5,075,276.24	
Miscellaneous accounts payable .....		3,478,657.38	
Express privilege liabilities .....		11,602,266.61	
Estimated tax liability .....		532,929.43	
Other current liabilities .....		5,779,898.88	
Other deferred liabilities .....		36,705.47	
Operating insurance reserves .....		27,609,546.27	
Accrued depreciation, buildings .....		914,358.26	
Accrued depreciation, equipment .....		5,519,209.89	
Other unadjusted credits .....		419,278.23	
Profit and loss balance .....		1,385,828.22	
Total liabilities .....		\$ 97,307,298.00	
		<i>Income Account</i>	
Operating revenues:			
Charges for transportation .....	\$ 333,890,025.96		
Express privileges, Dr. ....	141,829,491.38		
Revenue from transportation .....		\$ 192,060,534.58	
Revenue from other operations .....		3,604,509.00	
Total operating revenues .....		\$ 195,665,043.00	
Operating expenses .....		234,809,539.94	
Net operating revenue .....		\$ 39,144,496.36	
Uncollectible revenue .....		37,100.78	
Express taxes .....		2,182,461.92	
Operating income .....		\$ 41,364,059.06	
Other income .....		2,075,796.44	
Gross income .....		\$ 39,288,262.62	
Total deductions from gross income .....		547,624.63	
Net income .....		\$ 39,835,837.25	
		<i>Mileage Operated</i>	<i>Miles</i>
Steam roads, United States .....		245,592.02	
Steam roads, Canada and Mexico .....		2,701.34	
Electric lines, United States .....		2,968.52	
Electric lines, Canada .....		23.60	
Steamship and inland steamers .....		27,758.12	
Stages .....		193.42	
Miscellaneous .....		5.25	
Total .....		268,648.36	

# PART II—UTILITIES STATISTICS OF ELECTRIC UTILITIES For Year Ended December 31, 1920

Name of Utility and Location	Capital Stock Outstanding	Paid-up Debt Outstanding	Fixed Capital Dec. 31, 1920	Operating Revenues
Amity Light & Power Co., Amity .....	\$ 20,000.00	\$ .....	\$ 26,649.35	7,635.48
Atwood Lee Co., "Electric," Wasco .....	.....	.....	8,316.69	7,797.55
Aumsville Electric Co., Aumsville .....	5,000.00	.....	3,571.42	1,361.93
Bandon Power Company, Bandon .....	29,833.00	4,144.22	40,107.93	19,202.80
Beaver Improvement & Power Co., Beaver .....	1,250.00	3,000.00	4,250.00	376.17
Bend Water, Light & Townsite Co., Bend .....	② 310,000.00	② 100,000.00	385,121.11	95,820.07
Brookings Land & Townsite Co., Brookings .....	② 150,000.00	.....	2791.11	2,018.90
③ California-Oregon Power Co., Rogue River Division .....	③ 28,233,000.00	③ 5,593,000.00	2,297,406.62	254,106.76
③ California-Oregon Power Co., Klamath Division .....	③ .....	.....	516,443.51	128,409.76
③ Clatskanie Light & Power Co., Clatskanie .....	50,000.00	.....	63,052.29	5,523.73
Coast Power Company, Tillamook .....	50,000.00	.....	170,274.82	77,015.96
Columbia River Light & Power Co., Cascade Locks .....	50,000.00	50,000.00	59,880.50	2,645.42
Condon Electric Company, Condon .....	7,600.00	5,055.00	26,019.15	10,679.50
① Consolidated Electric Light Co., Cottage Grove .....	10,000.00	4,500.00	19,000.00	6,243.16
Creswell Electric Light & Power Co., Creswell .....	50,000.00	15,000.00	73,977.05	27,271.97
Deschutes Power Co., Prineville .....	② 233,900.00	.....	3,800.00	2,275.00
Douglas County Light & Water Co., Roseburg .....	② 300,000.00	② 512,000.00	299,271.29	59,185.41
Eastern Oregon Light & Power Co., Baker .....	② 1,841,900.00	② 1,236,000.00	276,740.23	74,647.71
Electric Light & Power Co., The, Burns .....	10,000.00	.....	3,210,961.47	305,947.85
Enterprise Electric Company, Enterprise .....	166,700.00	30,000.00	20,286.60	4,824.94
① Falls City Electric Light & Power Co., Falls City .....	3,000.00	4,800.00	251,508.10	56,104.19
② Florence Electric Company, Florence .....	10,000.00	.....	11,581.92	5,214.58
Fossil Milling Company, Fossil .....	13,000.00	.....	10,000.00	2,430.35
① Foster Light & Power Co., Foster .....	4,762.50	.....	12,596.98	6,374.39
② Gardiner Light & Power Co., Gardiner .....	24,000.00	.....	5,000.00	344.82
Heppner Light & Water Co., Heppner .....	10,000.00	.....	77,142.32	1,732.10
Hermiston Light & Power Co., Hermiston .....	.....	24,800.00	73,691.48	35,772.14
① Idaho Power Company, Ontario .....	① 16,293,000.00	① 11,299,968.25	② 25,335,401.71	22,423.96
Jensen, N. P., Lakeview .....	.....	3,129.87	51,900.10	244,876.36
Keno Power Company, Keno .....	130,000.00	.....	370,643.46	10,446.63
Lebanon Electric Light & Water Co., Lebanon .....	.....	.....	84,288.54	17,725.14
Malheur Electric Co., Aurora .....	② 25,000.00	② 49,700.00	108,730.45	17,538.90
③ Mountain States Power Co., Coos Bay Division .....	50,000.00	35,000.00	257,597.57	17,253.28
③ Mountain States Power Co., Dallas District .....	③ 63,489,700.00	③ 3,052,500.00	138,309.52	163,702.29
③ Mountain States Power Co., Dallas District .....	.....	.....	937,908.81	60,012.22
③ Mountain States Power Co., Springfield District .....	.....	.....	206,339.24	274,748.59
North Coast Power Co., Hillsboro .....	① 1,750,000.00	① 1,181,800.00	.....	58,162.76

North Coast Power Co., Rainier	⑥⑥11,870,300.00	⑥⑥5,948,500.00	67,311.25
Northwestern Electric Co., Portland	⑥⑥11,870,300.00	⑥⑥5,948,500.00	11,597,254.32
North Yamhill Electric Light Plant, Yamhill	⑥⑥11,870,300.00	⑥⑥5,948,500.00	1,018,087.53
Oswego Lake Water, Light & Power Co., Oswego	⑥⑥5,000.00	⑥⑥45,000.00	4,587.00
③③Pacific Power & Light Co., Astoria-Seaside	⑥⑥10,500,000.00	⑥⑥10,119,000.00	9,355.90
③③Pacific Power & Light Co., The Dalles-Hood River	⑥⑥10,500,000.00	⑥⑥10,119,000.00	277,045.36
③③Pacific Power & Light Co., Pendleton	⑥⑥10,500,000.00	⑥⑥10,119,000.00	185,977.59
③③Paisley Electric Light & Power Co., Paisley	⑥⑥21,250,000.00	⑥⑥42,410,000.00	137,044.83
③③Portland Railway, Light & Power Co., Portland	⑥⑥21,250,000.00	⑥⑥42,410,000.00	996.00
③③Prairie Power Company, Prairie City	25,500.00	76,993.16	3,092,756.63
Preston-Shaffer Milling Co., Athena	14,300.00		20,177.75
③③Reedsport Light & Power Co., Reedsport	22,500.00	9,000.00	20,294.89
③③Scott, Charles, Scotts Mills	22,500.00	9,000.00	1,973.62
Sheridan Light & Power Co., Sheridan	22,500.00	9,000.00	200.00
③③Smith-Powers Logging Co., Powers	22,500.00	9,000.00	15,565.42
St. Helens Lumber Co., St. Helens	20,000.00		4,224.35
Stayton Light & Power Co., Stayton	20,000.00		21,941.97
Sublimity Light & Power Co., Sublimity	20,000.00		6,865.40
Sumpter Power & Water Co., Sumpter	③③25,000.00	③③15,000.00	751.92
Tualatin Valley Electric Co., Sherwood	③③15,000.00	③③10,000.00	3,367.39
③③Turner Electric Light & Power Co., Turner	100,000.00	5,000.00	11,260.32
Vale Electric Company, Vale	100,000.00	5,000.00	2,184.45
Williams Electric Company, Willamina	100,000.00	5,000.00	17,370.53
③③Yamhill Electric Company, Newberg	40,000.00	66,000.00	3,607.81
③③Yamhill Electric Company, Toledo	40,000.00	66,000.00	67,561.53

**Boldface type indicates deficit.**

①Incomplete report,

②Joint utility service; see also report under **Water or Gas Utilities**.

③No allowance for depreciation included in operating expenses.

⑩Utility has operations outside this state.

③Covers property outside of this state.

utility in hands of receiver.

## STATISTICS OF ELECTRIC UTILITIES—Continued

Name of Utility and Location	Operating Expenses	Taxes	Operating Income	Surplus or Deficit for Year	No. of Consumers Dec. 31, 1920
Amity Light & Power Co., Amity .....	\$ 6,688.28	\$ 167.17	\$ 765.27	\$ 165.25	186
Atwood Lee Co., "Electric," Wasco .....	8,067.62	162.91	445.68	445.68	155
Aumsville Electric Co., Aumsville .....	1,382.06	102.16	132.39	132.39	53
Bandon Power Company, Bandon .....	16,403.03	625.93	2,167.49	1,130.40	371
Beaver Improvement & Power Co., Beaver .....	262.83	84.64	28.70		
Bend Water, Light & Power Co., Bend .....	56,534.97	7,114.60	31,456.08	① 1,236.98	1,959
Brookings Land & Townsite Co., Brookings .....	1,780.65		238.25	② 215.95	87
California-Oregon Power Co., Rogue River Division .....	155,021.37	19,859.42	76,718.17	③ 38,784.70	4,462
California-Oregon Power Co., Klamath Division .....	82,033.44	3,208.02	40,889.06		1,749
Clatskanie Light & Power Co., Clatskanie .....	6,016.39	242.73	730.59	705.34	
Coast Power Company, Tillamook .....	63,368.03	1,771.24	11,133.93	2,686.14	1,951
Columbia River Light & Power Co., Cascade Locks .....	4,179.92	36.00	1,908.50	1,490.53	94
Condon Electric Company, Condon .....	9,759.44	390.86	473.57		239
Cottage Grove Electric Light Co., John Day .....	5,043.16	312.52	887.48		
Creswell Electric Light & Power Co., Creswell .....	25,752.98	1,308.76	1,518.99	960.74	525
Deschutes Power Co., Prineville .....	32,970.35	84.00	789.00		96
Douglas County Light & Water Co., Roseburg .....	42,240.10	3,256.10	22,805.46	④ 375.36	887
Eastern Oregon Light & Power Co., Baker .....	166,599.77	6,150.97	21,321.80	⑤ 10,510.74	1,521
Electric Light & Power Co., The, Burns .....	5,984.34	15,945.21	121,808.09	⑥ 40,151.95	5,250
Enterprise Electric Company, Enterprise .....	33,000.57	233.42	1,409.37	1,688.40	175
Falls City Electric Light & Power Co., Falls City .....	4,356.13	3,503.65	19,496.76	91.97	1,302
Florence Electric Company, Florence .....	2,052.82	192.11	641.65	327.52	
Fossil Milling Company, Fossil .....	5,169.99	176.59	200.94	165.50	
Foster Light & Power Co., Foster .....	1,141.21	40.00	908.84		108
Gardiner Light & Power Co., Gardiner .....	33,271.90	92.25	498.64	182.91	76
Heppner Light & Water Co., Heppner .....	11,995.98	788.00	1,662.54		107
Hermiston Light & Power Co., Hermiston .....	101,396.07	1,239.71	9,111.07	1,412.20	578
Idaho Power Company, Ontario .....	12,840.40	27,169.72	116,197.94	⑦ 208,413.98	
Jensen, N. P., Lakeview .....	18,268.07	16.27	4,568.05	2,223.03	298
Keno Power Company, Keno .....	15,301.42	255.71	1,336.29	5,164.67	58
Lebanon Electric Light & Water Co., Lebanon .....	18,015.08	904.59	1,326.29	897.86	512
Molalla Electric Co., Aurora .....	96,556.07	908.19	1,347.47	1,596.76	490
Mountain States Power Co., Coos Bay Division .....	54,466.32	11,434.65	54,322.92	⑧ 11,162.32	2,921
Mountain States Power Co., Dallas District .....	16,185.06	2,148.74	3,099.76		
Mountain States Power Co., Springfield District .....	30,152.47	16,477.04	95,044.04		
North Coast Power Co., Hillsboro .....	8,232.78	3,009.94	25,000.35	⑨ 26,440.40	
North Coast Power Co., Rainier .....	383,300.00	878.07	510,465.75	⑩ 2,544.00	7,013
Northwestern Electric Co., Portland .....		121,737.96	19,58	⑪ 2,741.28	1,415
North Yamhill Electric Light Plant, Yamhill .....	4,885.25	86.32		⑫ 19.58	390
					13,303
					146

Oswego Lake Water, Light & Power Co., Oswego .....	7,794.34	320.16	1,241.40	283.36	537
③Pacific Power & Light Co., Astoria-Seaside .....	128,030.90	19,500.90	128,086.52	③33,035.13	4,455
③Pacific Power & Light Co., The Dalles-Hood River .....	62,431.39	13,687.37	123,546.20	.....	3,608
③Pacific Power & Light Co., Pendleton .....	41,577.44	10,163.69	84,601.51	.....	2,078
③Paisley Electric Light & Power Co., Paisley .....	635.00	28.25	332.75	76.75	60
③Portland Railway, Light & Power Co., Portland .....	243,928.27	240,900.43	1,586,506.84	③413,321.71	50,215
③Prairie Power Company, Prairie City .....	14,974.93	945.05	4,212.17	1,098.92	184
③Preston-Shaffer Milling Co., Athena .....	16,718.41	420.55	3,123.04	3,123.04	361
③Reedsport Light & Power Co., Reedsport .....	6,718.62	800.00	4,775.00	.....	90
③③Scott, Charles, Scotts Mills .....	200.00	.....	.....	.....	32
③Sheridan Light & Power Co., Sheridan .....	19,001.31	628.99	4,064.88	5,386.47	331
③Smith-Powers Logging Co., Powers .....	4,093.59	.....	129.76	③ 1,780.89	.....
③St. Helens Lumber Co., St. Helens .....	17,856.63	755.00	3,315.82	3,040.66	483
③Stayton Light & Power Co., Stayton .....	5,046.81	354.56	1,452.18	281.13	235
③Sublimity Light & Power Co., Sublimity .....	1,022.22	25.00	285.30	355.30	29
③Sumpter Power & Water Co., Sumpter .....	4,863.21	284.14	1,789.80	③ 3,628.53	32
③Tualatin Valley Electric Co., Sherwood .....	7,703.13	266.13	3,220.64	③ 2,498.81	316
③Turner Electric Light & Power Co., Turner .....	1,440.00	212.51	531.94	.....	75
③Vale Electric Company, Vale .....	10,145.54	998.66	6,012.85	634.87	340
③Williamina Electric Company, Williamina .....	3,651.67	201.72	245.58	725.58	96
③Yamhill Electric Company, Newberg .....	43,214.53	2,950.00	21,098.90	7,447.90	1,503
③Yaquina Electric Company, Toledo .....	.....	.....	.....	.....	.....

Boldface type indicates deficit.

- ①Incomplete report.  
 ②Joint utility service; see also report under Water or Gas Utilities.  
 ③No allowance for depreciation included in operating expenses.  
 ④Utility has operations outside this state.  
 ⑤Covers property outside of this state.  
 ⑥Incomplete report; utility in hands of receiver.



## STATISTICS OF CLASS "B" TELEPHONE UTILITIES

For Year Ended December 31, 1920

Name of Utility and Location	Capital Stock Outstanding	Funded Debt Outstanding	Fixed Capital Dec. 31, 1920	Operating Revenues	Operating Expenses	Taxes	Operating Income	Surplus or Deficit for Year	Total Stations Dec. 31, 1920
Coos and Curry Telephone Co., Marshfield	\$ 130,000.00	\$ 123,000.00	\$279,319.00	\$114,995.55	\$ 84,051.40	\$ 4,529.66	\$24,554.49	\$13,046.29	3,160
Home Independent Telephone Co., La Grande	79,140.00	116,500.00	292,732.45	101,424.59	71,552.58	9,967.63	19,514.90	10,274.67	3,215
Home Telephone & Telegraph Company of Southern Ore- gon, Medford	249,900.00	200,000.00	484,280.93	52,862.20	37,149.08	4,006.70	11,706.42	.....	2,253
Northwestern Long Distance Telephone Co., Portland	400,500.00	300,000.00	719,686.61	180,406.07	136,050.29	8,299.07	34,950.51	500.75	83
Oregon-Washington Telephone Co., Hood River	①115,151.00	①150,300.00	174,755.39	43,708.85	31,483.67	2,912.32	9,055.25	① 234.66	1,413

① Covers property outside of this state.

STATISTICS OF CLASS "C" TELEPHONE COMPANIES  
For Year Ended December 31, 1920

Name of Company and Location of Principal Office	Fixed Capital Dec. 31, 1920	Capital Stock Outstanding	Funded Debt Outstanding	Operating Revenues	Operating Expenses	Taxes	Operating Income	Surplus or Deficit	No. of Sub- scribers
†Elgin Telephone Company, Elgin.....	\$21,661.60	.....	\$16,000.00	\$ 5,496.11	\$ 5,432.81	\$ 335.70	\$ 272.40	\$ 496.06	345
Hillsboro Telephone Company, Hillsboro .....	29,196.52	12,600.00	9,750.00	18,655.67	13,554.74	556.00	4,544.93	3,104.66	814
Independent Telephone Company, Forest Grove .....	11,019.88	.....	.....	10,173.71	8,629.90	300.00	1,243.81	1,146.81	1,150
†Intermountain Telephone & Tele- graph Company, Burns .....	77,738.45	45,275.00	.....	15,646.03	13,822.79	324.80	1,498.44	.....	402
Interurban Telephone Company, Silverton .....	34,054.39	16,025.00	.....	16,027.30	15,574.49	416.05	36.76	149.04	856
Klamath Telephone & Telegraph Company, Fort Klamath .....	14,274.73	.....	.....	12,644.66	10,409.02	132.00	2,103.64	.....	90
Lebanon Mutual Telephone Co., Lebanon .....	19,887.37	2,500.00	2,500.00	11,961.43	9,872.75	223.74	1,864.94	1,606.57	946
Malheur Home Telephone Company, Ontario .....	102,868.55	44,275.00	.....	52,706.52	31,315.06	1,742.37	350.91	4,218.52	959
McMinnville Local & Long Distance Telephone Co., McMinnville .....	48,899.02	29,600.00	.....	17,468.60	13,389.05	975.50	3,104.05	953.44	1,076
Multnomah & Clackamas Mutual Telephone Company, Gresham.....	37,355.98	8,725.00	6,500.00	16,528.99	18,315.78	381.03	2,167.83	2,663.07	941
Nevada, California & Oregon Tele- graph & Telephone Company, San Francisco, California .....	210,725.49	82,165.00	54,100.00	47,406.73	33,888.80	1,766.88	11,751.05	5,894.26	461
Newberg Telephone Company, Newberg .....	52,057.55	15,200.00	4,000.00	16,718.29	13,787.92	567.94	2,362.43	1,294.03	972
Western Oregon Telephone & Tele- graph Company, Forest Grove.....	25,586.97	30,000.00	.....	10,303.73	8,714.41	300.00	1,289.32	1,202.25	1,415
Willamette Telephone Company, Dallas .....	114,098.02	68,500.00	37,850.00	31,969.62	25,999.71	790.38	5,179.53	1,572.32	1,905

Bold faced type indicates deficit.

\* Incomplete report.

† No allowance for depreciation included in operating expenses.

## STATISTICS OF CLASS "D" TELEPHONE COMPANIES

For Year Ended December 31, 1920

Name of Company and Location of Principal Office	Fixed Capital Dec. 31, 1920	Capital Stock Outstanding	Operating Revenues	Operating Expenses	Taxes	Surplus or Deficit for Year	No. of Sub- scribers
Amity Mutual Telephone Company, Amity.....	\$ 8,973.00	\$ 3,375.00	\$ 6,094.71	\$ 5,895.87	\$ 214.99	\$ 16.15	327
Aurora Mutual Telephone Company, Aurora.....	5,340.00	3,975.00	3,532.22	3,532.95	94.08	94.08	150
C. A. Bradford's Telephone Lines, Prairie City.....	9,968.53	.....	2,574.00	2,780.00	49.56	255.56	151
Butte Falls & Eagle Point Telephone Com- pany, Eagle Point.....	5,000.00	3,000.00	3,929.68	4,127.14	62.22	257.68	207
Canby Cooperative Telephone Association, Canby.....	6,506.41	3,210.00	5,402.64	6,231.40	430.50	1,259.26	331
Clatskanie Telephone Company, Clatskanie.....	5,525.00	.....	5,758.43	5,348.34	944.33	534.35	379
Cloverdale Telephone Company, Cloverdale.....	8,500.00	2,000.00	4,257.50	4,724.00	172.58	639.02	217
Creschutes Mutual Telephone Co., Redmond.....	9,983.69	6,300.00	9,084.62	7,132.61	695.34	1,276.67	315
*Dufur Local & Long Distance Telephone Co., Dufur.....	9,297.00	.....	3,515.00	2,886.00	172.26	.....	321
Estacada Telephone & Telegraph Company, Estacada.....	6,396.00	10,000.00	3,027.67	3,155.55	134.81	262.69	367
Fossil Telephone Company, Fossil.....	2,633.52	500.00	2,667.94	2,314.83	53.47	295.84	162
Haines Telephone Company, Haines.....	6,000.00	.....	4,292.85	4,965.22	128.90	828.27	132
Home Telephone Company, Condon.....	6,357.00	.....	6,175.00	5,350.98	144.21	709.81	321
Independent Telephone Company, Pilot Rock.....	19,121.79	8,250.00	12,566.61	11,922.98	144.18	799.45	300
Lakeview-Pine Creek Electric Co., Lakeview.....	14,312.65	400.00	6,773.65	6,188.43	102.18	533.04	289
Lyle Telephone Company, Lyle, Washington.....	5,987.96	2,900.00	4,303.51	3,692.45	103.63	507.43	190
Parma Telephone Company, Parma, Idaho.....	16,215.71	3,500.00	8,769.78	7,324.14	.....	1,445.54	427
Pine Telephone System, Halfway.....	12,000.00	.....	5,794.20	4,394.45	51.00	1,348.76	25
Pioneer Mutual Telephone Co., Brownsville.....	3,000.00	3,415.00	3,217.00	3,087.17	154.41	24.58	287
Scholls Telephone Company, Scholls.....	15,000.00	5,460.00	9,948.54	9,355.73	341.41	251.40	410
Sheridan-Williamina Telephone Co., Sheridan.....	16,770.00	5,000.00	7,615.54	7,584.02	183.70	152.18	476
Sherwood Telephone Company, Sherwood.....	16,063.20	2,800.00	3,750.25	4,973.77	84.06	1,207.53	222
Tigardville Telephone Co., Tigardville.....	4,500.00	4,900.00	4,873.23	4,731.11	174.62	32.50	336
Tillamook County Mutual Telephone Com- pany, Tillamook.....	16,000.00	4,750.00	9,764.25	9,935.12	355.13	526.00	562
Wheeler Telephone & Telegraph Company, Nehalem.....	3,500.00	.....	3,305.00	2,085.00	49.00	1,221.00	118
Yamhill County Mutual Telephone Company, Dayton.....	1,500.00	2,220.00	3,925.85	5,768.90	309.20	2,152.25	332
Yamhill Mutual Telephone Company, Yamhill.....	3,268.00	480.00	2,510.36	2,967.31	44.20	501.15	340

\* Bold faced type indicates deficit.

• Incomplete report.

STATISTICS OF CLASS "F" TELEPHONE COMPANIES  
For the Year Ended December 31, 1920

Name of Company and Location of Principal Office	Fixed Capital Dec. 31, 1920	Capital Stock Outstanding	Operating Revenues	Operating Expenses	Taxes	Surplus or Deficit for Year	No. of Sub- scribers
Agency Plains Telephone Company, Madras	\$ 975.00	\$ 975.00	\$ 147.00	\$ 198.95	\$ 9.80	\$ 61.75	46
Blachly Deadwood Telephone Co., Blachly	775.00	775.00	230.58	221.59	15.91	6.92	31
Boardman Telephone & Telegraph Company, Boardman	2,000.00		432.00	435.00		3.00	25
Canyonville Telephone Company, Canyonville			468.00	468.00	6.50	6.50	61
Cascadia Telephone Line, Cascadia	201.28		122.00	150.00	4.85	32.85	6
Cecil Telephone Exchange, Cecil	236.00		40.00	10.00		30.00	5
Columbia County Telephone Association, Scappoose	850.00	2,550.00	128.00	96.69	29.31		50
Deer Creek Valley Telephone Company, Selma	1,000.00	1,260.00	462.89	435.28	20.00	7.61	40
Dent Telephone & Telegraph Co., Lakeview	4,200.00	2,390.00	459.47	719.18	26.87	286.58	
Drewsey Telephone Company, Drewsey	10,000.00	1,775.00	211.34	544.16		332.82	
Durkee Telephone Line, Durkee	1,500.00		172.50	30.00	2.86	139.64	9
Elk City Exchange, Elk City			278.00	278.00			24
Farrington Telephone Line, The Dalles	1,000.00		372.35	385.82	23.71	37.18	28
Flora Telephone Company, Flora	1,502.75		205.00	280.00	19.50	94.50	33
Galloway Telephone Company, Heppner	1,500.00	1,600.00	429.00	364.28	62.04	2.68	40
Grand Ronde Telephone Co., Grand Ronde	5,500.00		390.00	2,875.00		2,485.00	42
Green Mountain Mutual Telephone Company, Buxton	50.00		345.00	317.00	8.12	19.88	21
Hayhurst Telephone Company, Yoncalla	100.00		12.00	10.30	1.70		12
Izee-Bear Valley Telephone Company, Izee	1,270.00		399.18	419.92	114.20	134.94	21
Juniper Telephone Company, Hereford	8,000.00	1,080.00	83.30	83.49	47.81	35.49	73
Kentuck Telephone Company, North Bend	650.00		164.00	475.00		311.00	16
Langell Valley Telephone Company, Bonanza	1,800.00	970.00	370.00	252.93	48.37	68.70	47
Long Creek & Ritter Telephone Co., Ritter	1,500.00	1,210.00	312.20	164.07	27.52	190.61	30
Malheur & Baker Co. Telephone Co., Malheur	1,875.00	226.88	226.88	91.12	27.14	188.62	
Moss Telephone & Telegraph Co., Paisley	3,000.00	3,000.00	486.00	524.58	27.43	66.01	31
Nehalem Telephone Company, Vernonia	1,800.00	1,350.00	294.86	433.39	29.68	168.21	48
Plainview Mutual Telephone Co., Plainview	600.00	300.00	342.00	305.31	10.12	26.56	25
Potter, A. B., Klondike	233.40		68.00	88.00	6.35	26.35	9
Promise Mutual Telephone Association	1,500.00		249.02	218.02	12.71	18.29	32
Reorganized Siletz Bay Telephone Co., Taft	528.50		50.00	140.00		90.00	25
Sams Valley Local Telephone Co., Sams Valley	400.00	330.00	61.61	48.71	7.19	5.71	23
South Fork Telephone Company, Dayville	675.00		274.00	282.23	5.15	13.38	30
South Myrtle Telephone Co., Myrtle Creek	326.00		20.00	34.50		18.70	21
Spring Valley Telephone Co., Hildebrand	800.00	720.00	240.30	186.24	4.06		40
Stage Gulch Telephone Line, Pendleton	2,488.31	1,600.00	10.00	25.00		15.00	16
Sunrise Telephone Company, Airlie			426.00	335.00		91.00	
*Sunsaville Telephone Company, Sunsaville			90.00	100.00	2.69	12.69	
V & W Telephone Company, Vale	1,305.00	1,395.00	12.80	12.45	19.33	18.98	
West Branch & Gable Creek Telephone Com- pany, Mitchell	300.00		24.00	41.00		17.00	35

Bold faced type indicates deficit.

\* Incomplete report.

**STATISTICS OF CLASS "E" TELEPHONE COMPANIES**  
**For Year Ended December 31, 1920**

Name of Company and Location of Principal Office	Fixed Capital Dec. 31, 1920	Capital Stock Outstanding	Operating Revenues	Operating Expenses	Taxes	Surplus or Deficit for Year	No. of Sub- scribers
Alsea Telephone Company, Alsea	\$ 154.00	\$ 720.00	\$ 1,147.25	\$ 1,145.00	\$ 22.50	\$ 20.25	112
Applegate Valley Telephone Co., Provoit	5,000.00	1,485.00	1,645.98	2,360.27	50.16	764.45	132
Blue Mountain Toll Line, Spray, Co., Lakeview	2,500.00	2,275.00	650.00	300.00	14.25	335.75	132
Bunting Telephone & Telegraph Co., Lakeview	4,500.00	2,275.00	1,121.00	424.92	24.37	671.71	132
Calapooia Telephone Company, Sutherlin	4,620.75	5,000.00	1,977.60	1,932.20	27.00	31.50	132
*Chetco Southern Telephone Company, Gold Beach	6,000.00	1,560.00	2,169.27	1,694.26	45.28	429.73	117
Columbia Telephone Company, Corbett	1,500.00	1,560.00	1,256.81	2,271.40	80.73	1,096.32	132
Creswell Telephone Company, Creswell	350.00	1,835.00	1,439.14	1,585.47	51.68	198.01	91
Damascus Telephone Company, Damascus	1,524.23	1,835.00	1,599.15	1,541.60	134.71	77.16	66
Dayville Canyon Telephone Co., Mt. Vernon	4,000.00	1,000.00	912.57	1,609.88	43.55	740.86	95
Drain-Umpqua Telephone Company, Elkton	1,100.00	1,000.00	183.66	1,396.92	27.35	27.35	42
*Farmers National Telephone Co., Tumalo	1,000.00	1,050.00	1,538.13	1,343.13	28.03	166.97	131
Glendale Telephone Company, The, Glendale	2,500.00	300.00	1,057.00	1,032.00	7.00	18.00	176
Halsey Mutual Telephone Company, Halsey	300.00	2,285.50	1,125.08	1,194.51	43.21	112.64	26
Helix Telephone Company, North Bend	2,285.50	2,285.50	2,010.15	1,820.00	65.00	125.15	138
Helix Telephone Company, Helix	2,000.00	940.00	940.00	1,140.00	20.50	220.50	50
Lafayette Telephone Company, Lafayette	1,200.00	4,900.00	950.00	1,080.00	40.00	170.00	6
LaPine & Southern Telephone Co., Lapine	4,900.00	2,500.00	2,131.51	1,654.93	252.62	223.96	118
Monroe Telephone Company, Monroe	1,500.00	1,620.00	2,160.43	2,184.08	46.22	69.87	65
Mosier Valley Telephone Company, Mosier	2,500.00	4,375.00	2,604.73	1,772.06	62.01	770.66	147
Mount Angel Telephone Company, Mt. Angel	7,047.37	4,375.00	2,604.73	1,772.06	62.01	770.66	147
Myrtle Creek Telephone Exchange, Myrtle Creek	5,250.00	3,000.00	2,169.44	2,169.44	30.10	30.10	187
Nehalem Mutual Telephone Company, Mt. St.	3,700.00	3,000.00	1,327.71	1,738.41	76.11	485.81	79
North End Telephone Company, Ltd., Troy	1,200.00	1,650.00	957.02	1,104.10	23.20	170.28	91
Panhandle Cooperative Telephone Co., Halfway	3,000.00	3,450.00	2,369.86	2,944.76	37.60	612.50	160
Peoples Cooperative Telephone Co., Lyons	2,021.75	670.00	833.56	738.33	70.76	24.47	32
Philomath Telephone & Telegraph Company, Philomath	2,000.00	900.00	2,360.00	3,240.00	79.53	959.53	259
Pilot Butte Telephone Company, Prineville	2,381.85	3,500.00	569.09	758.21	132.88	322.00	280
Quincy-Mayger Telephone Company, Quincy	3,500.00	3,500.00	500.00	450.00	58.46	8.46	78
Robertson, L. R., Lakeview	14,000.00	670.00	1,200.00	1,100.00	100.00	100.00	75
Santiam Cooperative Telephone Co., Gates	500.00	670.00	755.00	755.00	21.22	297.36	300
Selo Mutual Telephone Company, Selo	300.00	2,200.00	1,707.39	1,388.81	10.00	664.00	52
Six Elk Telephone Company, Port Orford	2,200.00	2,800.00	1,244.00	570.00	1,100.38	23.50	38
Smith River Mutual Telephone Co., Reedsport	2,800.00	2,800.00	1,154.69	1,100.38	30.81	33.50	38
Smock & Dailey Telephone Company, Holland	1,250.00	3,285.00	500.60	554.83	25.12	17.65	60
South Curry Telephone Co., Gold Beach	5,000.00	3,285.00	500.60	554.83	25.12	17.65	60

St. Paul Mutual Telephone Company, St. Paul	1,440.00	1,151.17	1,142.18	21.77	12.78	90
Sweet Home, Foster & Cascadia Telephone Company, Sweet Home	1,500.00	745.00	665.26	55.64	24.00	85
Tule Lake Telephone System, Merrill	2,000.00	817.72	522.25	173.21	122.25	44
Waldport Protective League, Waldport	1,000.00	564.85	881.25	20.96	337.36	78
Wamic Telephone Company, Wamic	300.00	500.00				
Wasco Southern Telephone Company, Antelope	5,000.00	1,318.32	1,293.98	288.86	264.52	42
Yoncalla Telephone Exchange, Yoncalla	400.00	8,281.50	275.00	5.00	720.00	150
		1,000.00				

Bold faced type indicates deficit.

\* Incomplete report.

† Leased by Coos and Curry Telephone Co. and included in that company's reports.

## TELEGRAPH UTILITIES

### Postal Telegraph Company

Organized November 29, 1903, under the laws of the State of Oregon.

*Principal Office:* Portland, Oregon.

*Principal Officers:* President, L. L. Craft, Portland, Oregon; Vice President, Edward Reynolds, New York City; Secretary, A. Ellis, Portland, Oregon; Treasurer, Jos. J. Cardona.

#### FINANCIAL AND GENERAL STATISTICS

<i>Balance Sheet:</i>		<i>Assets</i>	
Plant and equipment .....	\$	10,000.00	
Cash .....		818.87	
Accounts receivable from customers .....		14,037.39	
Miscellaneous accounts receivable .....		21,438.82	
Material and supplies .....		174.96	
Profit and loss—debit balance .....		80,309.13	
Total assets .....	\$	126,779.17	
		<i>Liabilities</i>	
Capital stock .....	\$	10,000.00	
Miscellaneous accounts payable .....		81,278.17	
Reserve for accrued depreciation .....		35,500.00	
Total liabilities .....	\$	126,779.17	
<i>Income Account:</i>			
Operating revenues, telegraph and cable .....	\$	140,973.61	
Operating expenses, telegraph and cable .....		137,847.61	
Uncollectible operating revenue .....		111.88	
Taxes assignable to operations .....		2,464.56	
Operating income .....	\$	550.06	
<i>Operating Statistics:</i>			
Number of telegraph offices .....		12	
Miles of wire operated .....		2,062.05	

### Western Union Telegraph Company

Organized April, 1851, under the laws of the State of New York.

*Principal Office:* 195 Broadway, New York, N. Y.

*Principal Officers:* President, Newcomb Carlton, 195 Broadway, New York City; First Vice President, G. W. E. Atkins, 195 Broadway, New York City; Vice President and General Counsel, Rush Taggart, 195 Broadway, New York City; Vice President in Charge of Commercial Department, J. C. Willever, 195 Broadway, New York City; Vice President in Charge of Traffic, W. N. Fashbaugh, 195 Broadway, New York City; Vice President in Charge of Plant and Engineering, G. M. Yorke, 195 Broadway, New York City; Vice President and Comptroller, E. Y. Gallaher, 195 Broadway, New York City; Vice President, Stanley J. Goddard, London, England; Treasurer, G. K. Huntington, 195 Broadway, New York City; Secretary, A. F. Burleigh, 195 Broadway, New York City; General Auditor, H. W. Ladd, 195 Broadway, New York City; General Attorney, F. R. Stark, 195 Broadway, New York City.

## FINANCIAL AND GENERAL STATISTICS

*Assets*

Plant and equipment to January 1, 1914 .....	\$ 108,446,781.54
Plant and equipment since December 31, 1913 .....	68,319,677.09
Construction work in progress .....	7,130,020.90
Investment securities .....	11,917,320.52
Long term advances receivable .....	1,180,000.00
Miscellaneous investments .....	4,500.00
Cash .....	5,524,905.71
Special deposits .....	54,612.45
Employees' working funds .....	812,651.99
Marketable securities .....	6,554,134.26
Bills receivable .....	21,546.43
Accounts receivable from customers and agents .....	15,195,152.84
Accounts receivable from system corporations .....	6,745.87
Miscellaneous accounts receivable .....	521,017.86
Materials and supplies .....	8,713,133.34
Unmatured interest, dividends and rents receivable .....	102,536.23
Sinking fund assets .....	474,524.89
Prepaid rents .....	737,462.98
Prepaid insurance .....	37,448.84
Other prepayments .....	8,611.63
Other deferred debit items .....	291,817.03
<b>Total assets .....</b>	<b>\$ 236,054,602.20</b>

*Liabilities*

Capital stock .....	\$ 99,786,726.66
Capital stock of subsidiary companies .....	1,781,875.00
Funded debt .....	31,994,000.00
Audited vouchers and wages unpaid .....	926,551.83
Customers' deposits .....	3,108.33
Accounts payable to system corporations .....	13,168.13
Miscellaneous accounts payable .....	12,624,708.26
Matured interest, dividends and rents unpaid .....	80,622.37
Service billed in advance .....	244,542.80
Taxes accrued .....	7,579,056.40
Unmatured interest, dividends and rents payable .....	2,554,417.49
Deferred noninterest bearing liability .....	12,998,357.31
Reserve for accrued depreciation .....	17,140,237.49
Reserve for amortization of intangible capital .....	79,647.75
Reserve for doubtful accounts .....	1,400,735.79
Liability for provident funds .....	1,000,000.00
Other deferred credit items .....	5,161,635.75
Profit and loss—credit balance .....	40,685,210.84
<b>Total liabilities .....</b>	<b>\$ 236,054,602.20</b>

*Income Account:*

Telegraph and cable operating revenues .....	\$ 119,991,825.26
Telegraph and cable operating expenses .....	98,508,590.93
<b>Net operating revenue .....</b>	<b>\$ 21,483,234.33</b>
Uncollectible operating revenues .....	479,967.00
Taxes assignable to operations .....	4,017,000.00
<b>Operating income .....</b>	<b>\$ 16,986,267.33</b>
Miscellaneous nonoperating income .....	1,929,460.37
<b>Gross income .....</b>	<b>\$ 18,915,727.70</b>
Total deductions from gross income .....	5,576,083.31
<b>Net income .....</b>	<b>\$ 13,339,644.39</b>
Appropriations of income .....	553,922.12
<b>Transferred to credit profit and loss .....</b>	<b>\$ 12,785,722.27</b>

*Surplus Account:*

Surplus on December 31, 1919 .....	\$ 33,793,959.23
<b>Credits:</b>	
Deficit during federal operation paid by government in 1920....	921,510.89
Adjustments .....	166,556.95
Balance from income account for year ended December 31, 1920 .....	12,785,722.27
<b>\$ 47,667,749.34</b>	



<b>Debits:</b>	
Dividends paid and declared .....	6,982,538.50
Surplus on December 31, 1920 .....	\$ 40,685,210.84
<i>Intrastate Earnings—This State Only:</i>	
Total intrastate receipts .....	\$ 210,117.01
Total intrastate expenses, including taxes .....	167,206.24
Net intrastate earnings .....	\$ 42,910.77
<i>Operating Statistics:</i>	
	<i>Entire System      This State</i>
Miles of cable operated .....	142,216.92      578.83
Miles of other wire operated .....	1,307,492.66      12,653.15
Miles of poles operated .....	214,232.98      2,648.14
Number of telegraph offices .....	24,881      240
Number of employees .....	64,816      602

## The Pacific Telephone & Telegraph Company

Organized December 31, 1906, under the laws of the State of California. This company operates in the states of California, Oregon, Washington and Idaho.

*Principal Office:* San Francisco, California.

Controlled by American Telephone & Telegraph Company through ownership of 73.30 per cent of stock.

*Principal Officers:* President, G. E. McFarland, San Francisco, California; Vice President, H. D. Pillsbury, San Francisco, California; Secretary, T. V. Halsey, San Francisco, California; General Counsel, E. S. Pillsbury, San Francisco, California; Auditor, F. C. Phelps, San Francisco, California.

### FINANCIAL AND GENERAL STATISTICS

<i>Balance Sheet:</i>		<i>Assets</i>	
Total investment in fixed capital .....	\$103,948,369.01		
Construction work in progress .....	1,270,262.72		
Investment securities .....	13,758,603.09		
Advances to system corporation for construction, etc. ....	2,107,745.88		
Miscellaneous investments .....	205,725.38		
Cash and deposits .....	454,305.99		
Employees' working funds .....	174,749.22		
Bills receivable .....	265,497.83		
Due from subscribers and agents .....	1,795,375.73		
Accounts receivable from system corporations .....	562,465.29		
Miscellaneous accounts receivable .....	57,145.56		
Matured interest and dividends receivable .....	218,965.44		
Materials and supplies .....	2,621,497.83		
Unmatured interest, dividends and rents receivable .....	80,144.09		
Sinking fund assets .....	289,196.54		
Prepayments .....	299,898.42		
Unamortized debt discount and expense .....	1,495,922.15		
Other expense .....	19,654.07		
Grand total assets .....	\$129,625,524.24		
		<i>Liabilities</i>	
Capital stock .....	\$ 50,000,000.00		
Funded debt .....	39,174,000.00		
Advances from system corporations for construction, etc. ....	9,760,000.00		
Bills payable .....	215,000.00		
Audited vouchers and wages unpaid .....	751,141.33		
Subscribers' deposits .....	154,443.04		
Accounts payable to system corporations .....	914,024.15		
Miscellaneous accounts payable .....	56,545.22		
Service billed in advance .....	57,173.92		
Taxes accrued .....	997,053.98		
Other accrued liabilities not due .....	673,224.43		
Reserve for accrued depreciation—credit .....	23,085,491.70		
Reserve for amortization of intangible capital—credit .....	37,838.69		
Liability on account of provident funds .....	500,000.00		
Other deferred credit items .....	31,389.30		
Corporate surplus unappropriated—credit balance .....	3,218,198.48		
Grand total liabilities .....	\$129,625,524.24		

*Fixed Capital Installed:*

In Oregon .....\$ 16,608,135.67

*Income Statement—Entire System:*

Telephone operating revenues .....\$ 29,956,751.60  
 Telephone operating expenses ..... 21,972,707.71  
 Uncollectible operating revenues ..... 120,000.00  
 Taxes assignable to operations ..... 1,957,231.41

Operating income .....\$ 5,906,812.48  
 Nonoperating income ..... 476,496.97

Gross income .....\$ 6,383,309.45

*Deductions from Gross Income:*

Rent deductions for telephone offices .....\$ 220,777.93  
 Rent deductions for conduits, poles and other supports ..... 69,720.50  
 Miscellaneous rent deductions ..... 11,375.31  
 Interest deductions for funded debt ..... 1,968,074.09  
 Other interest deductions ..... 525,134.94  
 Amortization of debt discount and expense ..... 93,721.42  
 Amortization of landed capital ..... 21,410.00  
 Miscellaneous deductions from income ..... 27,245.50

Total deductions from gross income .....\$ 2,937,459.69

Net income .....\$ 3,445,849.76  
 Dividend appropriations of income ..... 1,920,000.00  
 Amount transferred to credit of corporate surplus ..... 1,525,849.76

*Operating Revenues—Entire System:*

Exchange service revenues .....\$20,606,072.33  
 Toll service revenues ..... 10,085,683.04  
 Miscellaneous direct revenues ..... 675,170.52  
 Licensee revenue ..... (1,310,174.29)

Total .....\$29,956,751.60

*Operating Revenues—Oregon:*

Exchange service revenues .....\$ 3,122,952.06  
 Toll service revenues ..... 1,131,095.57  
 Miscellaneous direct revenues ..... 93,443.27  
 Licensee revenue ..... (175,541.47)

Total .....\$ 4,171,949.43

*Operating Expenses—Entire System:*

Maintenance expenses .....\$ 9,536,860.63  
 Traffic expenses ..... 8,977,902.71  
 Commercial expenses ..... 2,784,117.50  
 General expenses ..... 673,826.87

Grand total .....\$ 21,972,707.71

*Operating Expenses—Oregon:*

Maintenance expenses .....\$ 1,691,414.61  
 Traffic expenses ..... 1,495,695.86  
 Commercial expenses ..... 428,494.53  
 General expenses ..... 108,339.12

Grand total .....\$ 3,723,944.12

*Taxes Assignable to Operations:*

Entire system .....\$ 1,957,231.41  
 In State of Oregon ..... 338,656.49

Total .....\$ 2,295,887.90

*Plant Statistics—Entire System:*

Number of central offices in service at close of year ..... 648  
 Main stations ..... 434,406  
 P. B. X. stations ..... 123,497

*Plant Statistics—Oregon:*

Number of central offices in service at close of year ..... 89  
 Main stations ..... 71,615  
 P. B. X. stations ..... 16,844  
 Extension sets ..... 7,001

**STATISTICS OF WATER UTILITIES**  
**For Year Ended December 31, 1920**

Name of Utility and Location	Capital Stock Outstanding	Funded Debt Outstanding	Fixed Capital Dec. 31, 1920	Operating Revenues
① Ardenwald Water Co., The Milwaukie	\$ 1,850.00		\$ 3,634.42	\$ 422.46
Bar View Water & Light Co., Bar View			3870.00	184.10
Bay City Water Co., Bay City	12,000.00		11,000.00	1,759.92
Bend Water, Light & Power Co., Bend	②	②	145,749.84	30,195.71
Brookings Land & Townsite Co., Brookings	③		3,298.98	1,353.98
California-Oregon Power Co., Klamath Falls	④	②	221,096.69	34,958.08
Cascade Water Co., Cascade Locks	1,350.00		1,357.50	661.06
Cherry Grove Land Co., Cherry Grove	5,000.00		3,582.61	1,008.32
Citizens Water & Light Co., Halsey	2,600.00		3,940.66	728.95
① Cold Springs Water Co., Yoncalla			5,000.00	210.00
Columbia City Water Works, Columbia City			1,218.85	376.75
Coos Bay Water Co., Marshfield	250,000.00	40,000.00	468,631.82	56,825.87
Creswell Water Works, Creswell				1,113.00
Deschutes Power Co., Prineville			31,736.33	8,930.58
Donald Water Co., Donald	3,000.00		3,141.39	451.20
Douglas County Light & Water Co., Roseburg			214,944.15	29,432.00
③ Drain Water Company, Drain	6,000.00	18,000.00	24,000.00	2,454.20
③ Garden Home Water Works, Garden Home			7,790.00	1,417.11
Gardner & Bennett, Stayton			55,842.81	2,191.30
③ Gearhart Park Company, Gearhart	3,230.00		3,202.17	2,326.28
Gold Beach Water, Light & Power Co., Gold Beach			11,500.00	580.85
Harrisburg Water System, Harrisburg			5,485.00	2,515.09
Junction City Water Works, Junction City		3,400.00	5,485.00	1,959.07
③ Kendall Water & Improvement Co., Kendall Station, Lents	3,060.00		2,070.00	1,014.35
Lakeview Water Company, Lakeview	71,050.00		77,755.66	13,191.32
Lebanon Electric Light & Water Co., Lebanon	②	③	30,789.60	6,996.15
Mosier Water Service, Mosier			10,588.47	623.75
Mountain States Power Co., Albany	④	②	166,076.75	32,442.32
Mountain States Power Co., Independence	④	②	24,637.06	5,762.85
③ Mountain States Power Co., Springfield	②	③	30,445.60	7,682.41
① Moyer Water System, Brownsville				2,132.52
Multnomah Cooperative Water Association, Multnomah		3,000.00		2,253.95
North Coast Power Co., Hillsboro	12,430.00	500.00	11,904.39	18,136.80
③ Old Water System of Canyon City, Canyon City	②		194,431.81	204.75
Oswego Lake Water, Light & Power Co., Oswego	②	③	31,640.27	7,085.99
① Parkrose Water Works, Parkrose			31,785.29	2,855.77
③ Rakel Water Supply System, Canemah			3,480.00	638.00
③ Reed Water Works, W. P., Gardiner				254.40
Rockaway Beach Company, Bay City	4,000.00		2,000.00	559.80

Rogue River Water Co. of Grants Pass, Grants Pass .....	50,000.00	100,000.00	159,570.09	26,213.51
Salem Water, Light & Power Co., Salem .....	416,300.00	198,000.00	762,534.84	91,557.50
Smith-Powers Logging Co., Powers .....	①	②	16,664.16	2,293.50
Sumpter Power & Water Co., Sumpter .....	①	②	96,400.00	2,409.60
①Sweet Home Mountain Water Works Co., Sweet Home .....	1,000.00	.....	1,050.00	120.00
②The Tillamook Bay Co., Oceanlake Park .....	4,500.00	.....	.....	27.00
③Troutdale Water Works, Troutdale .....	.....	.....	.....	.....
④Tualatin Valley Water Company, Beaverton .....	50,000.00	33,500.00	.....	482.00
Tualatin Valley Electric Co., Sherwood .....	③	.....	7,415.14	3,587.44
⑤Waldport Water Works, Waldport .....	.....	⑤	.....	1,922.93
.....	.....	.....	.....	830.00

Boldface type indicates deficit.

①Incomplete report.

②Joint utility; see report of Electric Utilities for joint items.

③No allowance for depreciation included in operating expenses.

④Discontinued operation August 1, 1920.

## STATISTICS OF WATER UTILITIES—Continued

Name of Utility and Location	Operating Expenses	Taxes	Operating Income	Surplus or Deficit for Year	No. of Consumers Dec. 31, 1920
③Ardenwald Water Co., The, Milwaukie	\$ 327.19	\$	\$ 95.27	\$	26
Bar View Water & Light Co., Bar View	184.45		9.25		20
Bay City Water Co., Bay City	1,652.79	127.13	9.20	57.13	
Bend Water, Light, & Power Co., Bend	17,212.89	2,548.04	10,182.50		1,448
Brookings Land & Townsite Co., Brookings	1,050.84		303.14		103
California Oregon Power Co., Klamath Falls	38,480.91	2,805.02	6,677.37		
Cascade Water Co., Cascade Locks	133.10		497.96		25
Cherry Grove Land Co., Cherry Grove	285.22	20.81	691.79	86.26	14
Citizens Water & Light Co., Halsey	497.06	51.49	180.40	180.40	49
④Cold Springs Water Co., Yoncalla	176.00	34.00			19
Columbia City Water Works, Columbia City	287.25	23.00	66.50	66.50	25
Coos Bay Water Co., Marshfield	40,108.51	5,679.43	11,037.93	3,352.94	1,999
Creswell Water Works, Creswell	1,360.85	38.08	285.93		65
Deschutes Power Co., Prineville	8,636.46	813.00	568.68		512
Donald Water Co., Donald	561.61	39.59	150.00	150.00	19
Douglas County Light & Water Co., Roseburg	21,147.14	3,826.25	3,636.91		1,569
⑤Drain Water Company, Drain	1,322.37	145.51	1,440.00	940.00	109
⑥Garden Home Water Works, Garden Home	1,274.58	47.06	95.47		45
Gardner & Bennett, Stayton	4,114.50	144.00	2,067.20	2,067.70	
⑥Gearhart Park Company, Gearhart	712.85		1,613.47		34
Gold Beach Water, Light & Power Co., Gold Beach	319.22	56.34	198.49	38.49	
Harrisburg Water System, Harrisburg	1,720.86	166.50	627.73	627.73	133
Junction City Water Works, Junction City	1,520.07	169.00	240.00		105
⑥Kendall Water & Improvement Co., Kendall Station, Lents	946.16	10.20	57.99		31
Lakeview Water Company, Lakeview	2,669.39	958.87	302.95	4,739.29	318
Mosier Water Service, Mosier	6,597.34	542.76	178.98		436
Mountain States Power Co., Albany	17,304.54	3,366.43	11,607.71	178.98	
Mountain States Power Co., Independence	6,130.98	430.96	818.17		1,507
Mountain States Power Co., Springfield	2,314.71	464.04	4,865.92		304
①Moyer Water System, Brownsville	1,206.25				402
Multnomah Cooperative Water Association, Multnomah	3,510.49	10.00	1,266.54	1,273.54	291
North Coast Power Co., Hillsboro	12,183.06	1,947.21	4,006.53		876
③Old Water System of Canyon City, Canyon City	11.50	17.95	175.30	1.13	14
Oswego Lake Water, Light & Power Co., Oswego	6,008.28	316.68	761.03		377
①Parkrose Water Works, Parkrose	3,347.01	80.60	571.84		
①Rakel Water Supply System, Canadiah	100.00	78.00	460.00	460.00	65
⑤Reed Water Works, W. P., Gardiner	32.75		180.65		
Rockaway Beach Company, Bay City	180.92	128.94	249.94		50
Rogue River Water Co. of Grants Pass, Grants Pass	14,756.95	3,955.87	7,487.98	1,118.77	957

Salem Water, Light & Power Co., Salem .....	52,695.54	10,305.24	23,141.67	15,099.76	5,029
Smith-Powers Logging Co., Powers .....	642.37		1,651.13	①	202
Sumpter Power & Water Co., Sumpter .....	4,203.62	421.71	<b>2,219.33</b>	①	107
①Sweet Home Mountain Water Works Co., Sweet Home .....					10
①①The Tillamook Bay Co., Oceanlake Park .....			27.00		
①①Troutdale Water Works, Troutdale .....	131.78	52.62	297.60		
①①Tualatin Valley Water Company, Beaverton .....	2,657.15	98.12	832.17		160
Tualatin Valley Electric Co., Sherwood .....	1,413.13	35.40	330.60	①	84
①Waldport Water Works, Waldport .....	714.00	78.00	18.00		51

**Boldface type indicates deficit.**

①Incomplete report.

①①Joint utility; see report of Electric Utilities for joint items.

①①No allowance for depreciation included in operating expenses.

①①Discontinued operation August 1, 1920.

## GAS UTILITIES

**Eastern Oregon Light & Power Company**  
 (BAKER GAS PLANT)

## FINANCIAL AND GENERAL STATISTICS

For general data, see report in electric section of this appendix.

Fixed capital of gas department not segregated.

*Income Account:*

Operating revenues from gas .....	\$ 8,230.95	
Revenue from sale of residuals and by-products .....	2,510.03	
		\$10,740.98

*Operating Expenses:*

Production expenses .....	\$ 9,129.76	
Distribution expenses .....	157.13	
Utilization expenses .....	99.22	
Commercial expenses .....	304.50	
General and miscellaneous expenses .....	906.78	
Undistributed expenses .....	57.18	
Depreciation of plant and equipment .....	916.50	
		11,571.07

Net operating revenue .....	\$ (830.09)	
Taxes .....	300.00	
Operating income .....		\$ (1,171.96)

*Coal Gas Plant:*

Gas manufactured .....	cu. ft.,	4,571,400
Gas sold .....	cu. ft.,	3,971,600
Gas unaccounted for .....	cu. ft.,	599,800
Percentage of gas manufactured unaccounted for .....	per cent,	13.1
Average daily production .....	cu. ft.,	12,525
Holder capacity .....	cu. ft.,	12,000
Daily generator capacity .....	cu. ft.,	20,000
Cost of coal at plant, per 2,000 lb. ton .....		\$11.15
Yield per pound of coal .....	cu. ft.,	5.43
Coke produced per ton of coal carbonized .....	lbs.,	1,100
Coke used for bench fuel per ton of coal carbonized .....	lbs.,	662
Length of mains .....	ft.,	50,570
Meters at end of year .....		209
Population of territory served .....		3,000

**Mountain States Power Company**  
 (COOS BAY AND EUGENE PLANTS)

## FINANCIAL AND GENERAL STATISTICS

For general data, see report in electric section of this appendix.

Fixed capital of gas department not segregated.

## COOS BAY PLANT

*Income Account:*

Operating revenues from sale of gas .....	\$23,574.05	
Gas merchandise and jobbing revenue .....	234.47	
Other miscellaneous gas revenues .....	4,977.03	
		\$28,785.55

*Operating expenses:*

Production expenses .....	\$13,018.98	
Transmission expenses .....	2.03	
Distribution expenses .....	3,736.47	
Utilization expenses .....	358.44	
Commercial expenses .....	1,723.81	
General and miscellaneous expenses .....	3,672.51	
General amortization—gas .....	285.08	
		22,797.32

Net operating revenue .....	\$ 5,988.23	
Taxes .....	\$ 2,374.33	
Uncollectible operating revenue .....	121.09	
		2,495.42
Operating income .....		\$ 3,492.81

*Oil Gas Plant:*

Gas manufactured .....	cu. ft.,	14,042,920
Gas sold .....	cu. ft.,	11,551,900
Gas unaccounted for .....	cu. ft.,	2,491,020
Percentage of gas manufactured unaccounted for .....	per cent,	17.74
Average daily production .....	cu. ft.,	40,183
Holder capacity .....	cu. ft.,	280,000
Daily generator capacity .....	cu. ft.,	50,000
Cost of oil at plant, per gallon .....		\$0.044
Yield per gallon of oil carbonized .....		Not reported
Length of mains .....	ft.,	95,003.5
Normal pressure at mains, inches of water .....		4
Meters at end of year .....		592
Population of territory served .....		6,500

## EUGENE PLANT

*Income Account:*

Operating revenues from sale of gas .....	\$64,134.37
Gas merchandise and jobbing revenue .....	1,659.42
Miscellaneous, other gas revenues .....	167.74
	<u>\$65,961.53</u>

*Operating expenses:*

Production expenses .....	\$43,889.04
Distribution expenses .....	3,975.08
Utilization expenses .....	1,491.50
Commercial expenses .....	3,585.32
General and miscellaneous expenses .....	6,373.39
Undistributed expenses .....	44.15
Depreciation of plant and equipment .....	
	<u>59,358.46</u>

Net operating revenue .....	\$ 6,603.07
Taxes .....	\$ 4,104.54
Uncollectible operating revenue .....	321.32
	<u>4,425.86</u>

Operating income .....	\$ 2,177.21
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*Water Gas Plant:*

Gas manufactured .....	cu. ft.,	39,187,690
Gas sold .....	cu. ft.,	34,590,000
Gas unaccounted for .....	cu. ft.,	4,597,690
Percentage of gas manufactured unaccounted for .....	per cent,	11.7
Average daily production .....	cu. ft.,	107,070
Holder capacity .....	cu. ft.,	170,000
Daily generator capacity .....	cu. ft.,	250,000
Cost of oil at plant, per gallon .....		\$0.0733
Yield per gallon of oil carbonized .....	cu. ft.,	197
Length of mains:		
Transmission .....	miles,	2,936
Distribution .....	ft.,	199,859
Normal pressure at mains:		
Springfield .....	lbs.,	7
Eugene, in inches of water .....		3.5
Meters at end of year .....		1,962
Population of territory served .....		10,500



**Pacific Power & Light Company**  
(ASTORIA AND PENDLETON GAS PLANTS)

**FINANCIAL AND GENERAL STATISTICS**

For general data, see report in electric section of this appendix.  
Fixed capital of gas department not segregated.

**ASTORIA GAS PLANT**

*Income Account:*

Operating revenues from sale of gas .....	\$46,400.60	
Gas merchandise and jobbing revenue .....	1,214.20	
		\$47,614.80

*Operating Expenses:*

Production expenses .....	\$25,594.47	
Distribution expenses .....	4,151.66	
Utilization expenses .....	375.29	
Commercial expenses .....	5,437.42	
General and miscellaneous expenses .....	2,761.76	
Undistributed expenses .....	868.62	
Depreciation of plant and equipment .....		
		39,192.32

Net operating revenues .....		\$ 8,422.48
Taxes .....	\$ 3,049.74	
Uncollectible operating revenues .....	260.01	
		3,309.75
Operating income .....		\$ 5,112.73

*Oil Gas Plant:*

Gas manufactured .....	cu. ft.,	34,741,900
Gas sold .....	cu. ft.,	31,325,000
Gas unaccounted for .....	cu. ft.,	3,416,900
Percentage of gas manufactured unaccounted for .....	per cent,	10
Average daily production .....	cu. ft.,	95,000
Holder capacity .....	cu. ft.,	40,000
Daily generator capacity .....	cu. ft.,	160,000
Cost of gas oil per gallon at plant .....	\$	0.0142
Yield per gallon of oil carbonized .....	cu. ft.,	86
Length of mains .....	ft.,	62,213
Normal pressure at mains, inches of water .....		2.75
Meters at end of year .....		1,300
Population of territory served .....		14,072

**PENDLETON GAS PLANT**

*Income Account:*

Operating revenues from sale of gas .....	\$39,662.75	
Gas merchandise and jobbing revenue .....	1,373.86	
Sale of residuals and by-products .....	9,797.76	
Total revenue from operation .....		\$50,843.37

*Operating Expenses:*

Production expenses .....	\$29,216.72	
Distribution expenses .....	3,459.03	
Utilization expenses .....	92.47	
Commercial expenses .....	3,175.89	
General and miscellaneous expenses .....	2,492.76	
Undistributed expenses .....	384.75	
Depreciation of plant and equipment .....		
Total operating expenses .....		38,821.62
Net operating revenue .....		\$12,012.75
Taxes .....	\$ 3,111.01	
Uncollectible operating revenue .....	216.51	
		3,327.52
Operating income .....		\$ 8,685.23

*Coal Gas Plant:*

Gas manufactured .....	cu. ft.,	22,177,100
Gas sold .....	cu. ft.,	20,486,200
Gas unaccounted for .....	cu. ft.,	1,710,900
Percentage of gas manufactured unaccounted for .....	per cent.	7.7
Average daily production .....	cu. ft.,	60,000
Holder capacity .....	cu. ft.,	30,000
Daily generator capacity .....	cu. ft.,	50,000
Cost of coal per 2,000 lb. ton delivered at plant .....		\$9.50
Yield per pound of coal .....	cu. ft.,	5.4
Coke produced per ton of coal carbonized .....	lbs.,	1,330
Coke used for bench fuel per ton of coal carbonized .....	lbs.,	537
By-products per ton of coal carbonized:		
Tar .....	gals.,	10
Coke .....	lbs.,	1,300
Length of mains .....	ft.,	64,379

## Portland Gas & Coke Company

Organized January 10, 1910, under the laws of the State of Oregon.  
Controlled by the American Power & Light Company, New York, N. Y.

*Principal Office:* Portland, Oregon.

*Location of Plants:* Gasco Station and Portland.

*Cities and Towns Served:* Portland, Milwaukie, Gladstone, Oregon City, Gresham, Beaverton, Orenco, Hillsboro, Cornelius and Forest Grove, Oregon; Vancouver, Washington.

*Other Corporations Owned:* Northwest Gas & Electric Equipment Company.

*Principal Officers:* President, Guy W. Talbot, Portland, Oregon; Vice President, John A. Laing, Portland, Oregon; Secretary, Geo. F. Nevins, Portland, Oregon; Attorney, John A. Laing, Portland, Oregon; General Manager, Hilmar Papst, Portland, Oregon.

### FINANCIAL AND GENERAL STATISTICS

*Balance Sheet:**Assets*

Fixed capital installed prior to July 1, 1913 .....	\$ 9,358,827.30
Fixed capital installed since June 30, 1913 .....	3,573,185.17
Construction work in progress .....	503,953.72
Investment securities .....	25,057.67
Cash .....	21,594.43
Notes receivable .....	32.94
Miscellaneous accounts receivable .....	445,843.93
Material and supplies .....	364,129.89
Prepayments .....	7,225.10
Unamortized debt, discount and expense .....	262,268.25
Other suspense .....	50,103.16
Treasury bonds .....	450,000.00
<b>Total assets .....</b>	<b>\$15,062,221.56</b>

*Liabilities*

Capital stock .....	\$ 5,743,800.00
Funded debt .....	7,230,000.00
Consumers' deposits .....	123,348.66
Notes payable .....	479,145.00
Accounts payable to system utilities .....	125,742.50
Miscellaneous accounts payable .....	209,166.64
Other current liabilities .....	47,429.70
Taxes accrued .....	247,452.18
Other accrued liabilities not due .....	172,930.45
Reserve for accrued depreciation .....	214,669.93
Insurance and casualty reserve .....	26,492.90
Corporate surplus unappropriated .....	445,043.60
<b>Total liabilities .....</b>	<b>\$15,062,221.56</b>

*Income Account:*

Operating revenues .....	\$ 2,711,530.69	
Operating expenses .....	1,145,830.57	
Net operating revenue .....		\$ 1,265,700.12
Taxes assignable to operations .....	\$ 205,774.87	
Uncollectible operating revenue .....	6,060.15	
Total .....		211,835.02
Operating income .....		\$ 1,053,865.10
Nonoperating revenues .....		21,404.39
Total gross income .....		\$ 1,075,269.49
Deductions from gross income .....		368,401.88
Net income .....		\$ 706,867.61
Dividends on outstanding stock .....	\$ 420,126.46	
Transferred to general reserve and depreciation .....	150,000.00	
Miscellaneous deductions from surplus .....	37,813.00	
Miscellaneous additions to surplus .....	181.62	
		607,757.84
Surplus for year .....		\$ 99,109.77
Surplus at beginning of year .....		345,933.83
Total surplus at end of year .....		\$ 445,043.60

*Oil Gas Plant:*

Gas manufactured .....	cu. ft.,	3,233,974.000
Gas sold .....	cu. ft.,	2,723,456.500
Gas unaccounted for .....	cu. ft.,	510,000.000
Percentage of gas manufactured unaccounted for .....	per cent,	15.8
Average daily production .....	cu. ft.,	8,860.202
Holder capacity .....	cu. ft.,	6,335.000
Cost of gas oil per gallon at plant .....		\$0.01774
Yield per gallon of oil carbonized .....	cu. ft.,	126
Generator fuel per 1,000 cubic feet .....	gals.,	.60
Carbon produced per 1,000 gallons of oil carbonized .....	lbs.,	2,810
Length of mains:		
High pressure .....	ft.,	2,686,324.0
Low pressure .....	ft.,	3,173,259.9
Meters at end of year .....		77,478
Customers at end of year .....		67,684
Population of territory served .....		293,379

## Portland Railway, Light & Power Company

### (SALEM GAS PLANT)

#### FINANCIAL AND GENERAL STATISTICS

For general data, see electric report.

#### *Income Statement:*

Operating revenues from gas .....	\$49,510.14	
Gas merchandise and jobbing revenue .....	1,267.55	
Sale of residuals and by-products .....	16,041.55	
Total operating revenue .....		\$66,819.24

#### *Operating expenses:*

Production expenses .....	\$40,702.58	
Transmission expenses .....	10.13	
Distribution expenses .....	3,290.89	
Utilization expenses .....	634.21	
Commercial expenses .....	3,363.34	
General and miscellaneous expenses .....	4,626.70	
Undistributed expenses .....	398.15	
General amortization—gas .....	3,320.00	
Total operating expenses .....		56,557.54
Net operating revenue .....		\$10,261.70
Taxes .....	\$ 2,802.47	
Uncollectible revenue .....	365.51	
		3,167.98
Operating income .....		\$ 7,093.72

#### *Coal Gas Plant:*

Total gas generated during year .....	cu. ft.,	30,852,800
Average daily production .....	cu. ft.,	83,500
Gas sold during year .....	cu. ft.,	26,119,900
Gas used by company .....	cu. ft.,	272,500
Gas unaccounted for .....	cu. ft.,	4,460,400
Percentage unaccounted for .....	per cent	14.4
Holder capacity .....	cu. ft.,	63,000
Cost of coal per ton delivered at plant .....	cu. ft.,	\$9.30
Coke produced per ton of coal carbonized .....	lbs.,	1,660
Coke used for bench fuel per ton of coal carbonized .....	lbs.,	450
Yield per pound of coal .....	cu. ft.,	5.72
By-products per ton of coal carbonized—coal tar .....	gals.,	9.5
Population of territory served .....		10,000
Gas leakage per mile of main .....	cu. ft.,	127,000
Amount of coal carbonized .....	tons,	2,691

## STEAM HEATING UTILITIES

### Klamath Heating Company

Organized June 2, 1919, under the laws of the State of Oregon.

Location: Klamath Falls, Oregon.

Cities Served: Klamath Falls.

Principal Officers: G. C. Lorenz, President; Wm. Lorenz, Vice-President; J. W. Siemens, Secretary-Treasurer.

#### FINANCIAL AND GENERAL STATISTICS

<i>Balance Sheet:</i>		<i>Assets</i>	
Fixed capital .....	\$	70,801.51	
Cash .....		165.65	
Due from consumers .....		1,805.63	
Corporate deficit .....		5,153.44	
Total assets .....	\$	77,926.23	
		<i>Liabilities</i>	
Capital stock .....	\$	45,500.00	
Notes payable .....		10,000.00	
Accounts payable .....		15,920.67	
Reserve for accrued depreciation .....		6,505.56	
Total liabilities .....	\$	77,926.23	
<i>Income Account:</i>			
Operating revenues .....	\$	14,256.90	
Operating expenses .....		17,849.46	
Net operating revenue .....	\$	3,592.56	
Taxes assignable to operations .....		35.00	
Operating income .....	\$	3,627.56	
Number of customers served, 46.			

### Northwestern Electric Company

(PORTLAND)

Fixed capital, December 31, 1920 .....	\$	1,562,964.55	
		<i>Income Statement</i>	
E 419 Steam sale revenue .....	\$	304,883.00	
E 572 Steam sale expenses:			
Fuel oil .....	\$	55,151.20	
Hog Fuel .....		57,472.95	
Miscellaneous supplies and expenses .....		15,087.21	
Superintendence and labor .....		30,701.87	
Repairs to boilers, furnaces and accessories .....		6,180.24	
Repairs to steam mains .....		4,833.96	
Repairs to meters, traps, etc. ....		5,438.66	
Repairs to steam services .....		535.38	
Commercial expenses .....		6,747.85	
General office expenses .....		1,963.34	
Insurance .....		3,257.39	
Depreciation of plant and equipment ....		20,845.43	
Total steam sales expenses .....		208,215.48	
Net operating revenues .....	\$	96,667.52	
Taxes .....	\$	41,185.57	
Uncollectible operating revenues .....		762.14	
Operating income .....	\$	54,719.81	

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